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The Nation's Business

Untimely End of Trade Mission

At a time when increased Canadian trade with South America is vitally important to make up for lost markets elsewhere, it is most unfortunate that Hon. James A. MacKinnon should have been taken ill.

The Minister of Trade and Commerce showed great vision in organizing a government trade mission to Latin America. The Mission had visited Nassau, Jamaica, Colombia, Panama and Canal Zone before his illness caused the trip to be abandoned. Mr. MacKinnon's disappointment can be no greater than that of the country.

The Government's decision to call off the balance of the trip will be much regretted. In Mr. MacKinnon's able deputy, L. Dana Wilgress, the mission had an official thoroughly competent to speak for Canada. Mr. Wilgress and his associates should carry on.

The Financial Post's own representative with the party will complete the tour. His bookings and appointments were independently arranged. He will continue to bring to Post readers the story of trade possibilities for Canada in Latin America.

* * *

A Programme For Victory

It may be that when Col. Ralston and Mr. Howe get back from Britain we shall be able to define better a war programme for Canada. Certainly there is insufficient planning or well-defined purpose in our present war effort.

Two most vital questions, for example, cannot be answered from a study of our present war effort or by reference to the public addresses of the Prime Minister and members of the Cabinet:

1. Is our policy one of "all-out" aid to Britain on the principle that if the Battle of Britain can be won, the Battle of Canada will never have to be fought?

Or are we putting the emphasis in our defense decisions on the ultimate protection of Canada in co-operation with the United States?

2. Have we or have we not agreed to rationalize our production programme with that of Great Britain and/or the United States? Are we still where we were in June—determined to make ourselves completely self-sufficient in the manufacture of every type of offensive and defensive armament?

Or does the Cabinet think that it is better to concentrate on the manufacture of certain armaments for which we have special facilities, materials and skills—even to become the chief source of these products—and to trade some of our surplus production of them for other goods that can be better produced in Britain or the United States?

* * *

These are very fundamental questions. They have to be answered before we can even know how to organize the productive facilities of this nation for war.

Different members of the Cabinet are known to hold conflicting views on them. Permanent officials and defense heads are equally divided.

This confusion in purposes, this lack of a clear-cut guide to our war effort, points up the need for an inner war cabinet, free from departmental responsibilities, to plan the nation's war effort and see that the plans are carried out.

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For Example: Airplanes

In recent issues The Financial Post has presented some of the unhappy facts regarding the near idleness of a large part of our capacity for the manufacture of airplanes.

There are a number of reasons for the unsatisfactory position in respect to airplanes. The big facts behind them all are, however, the lack of a definite war plan that would enable us to know what use we should or could make of our airplane industries; and lack of someone with sufficient authority to get those factories under full steam.

In this respect we are "enjoying" the same experience as the United States.

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When U. S. Defense Adviser William S. Knudsen revealed that American airplane production was 30% below forecasts, one of the leaders of the industry offered an explanation. "Too many changes in models and specifications," he said.

That is one reason why Canadian aircraft production is lagging, too. The airplane factories cannot build airplanes until the technical officers of the British and Canadian air forces agree upon what they want built. Getting a go-ahead signal on any type of plane is very difficult.

One can sympathize with the problem of finding any point of stability in a field where design rushes ahead at terrific speed; and obsolescence is the only thing that can be counted on. But if the air force

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U.S. War Output Lag Duplicated in Canada

Continuous Change of Policy and Aircraft Designs Seriously Throttling Down Country's War Production

When William S. Knudsen disclosed a 30% lag in U. S. plane production last week he uncovered a situation which has an almost direct parallel in Canada.

Speaking to the National Association of Manufacturers at New York, Dec. 13, Mr. Knudsen, Washington's chief defense co-ordinator, said:

"Frankly we are not doing anything compared with the forecast by the manufacturers and the commission in July. Our hoped-for production figures for Jan. 1, 1941, of 1,000 planes per month have to be scaled down by 30% to be correct."

Following this, a spokesman for the manufacturers, gave as one reason for this lag in production the industry's lack of authority to "freeze" models and specifications.

The "customers"—air chiefs and their technical advisers, he implied, are in the saddle. If they want to make continuous changes in design or specifications, there is no one to stop them. The result is delay and postponement in production plans and performance.

Canada Experience Likewise

Canada's aircraft production dilemma closely parallels this.

On July 30, Hon. C. D. Howe stated in the House of Commons:

"Early in 1941 we expect to have a production of 360 planes per month or about 12 planes a day, Sundays and holidays included, on the basis of production now arranged for.

". . . It is anticipated that Canadian production of Ansons will commence before the end of this year."

Again in September, Mr. Howe reiterated his statement that Canada "early in 1941 would be turning out 360 planes a month."

With only a few days left in 1940, the best that Canadian plants can do is to produce one third the Howe estimate or about 120 planes per month—the same as last June. All but 10 of these planes are trainers, chiefly elementary trainers—Fleets and Moths.

There are no Ansons in production. Nor is there any present pros-

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U. S. Combat Planes To be Made Here?

Consummation of long-drawn negotiations to manufacture U.S. combat planes in Canada is expected shortly.

Two important contracts are now pending.

One is for the manufacture at London, Ont., of an American pursuit plane on license. The other is for a big U.S. bomber which is being negotiated for manufacture at the Malton plant of the National Steel Car Co.

The London aircraft plant is a $3 millions structure being erected at Crumlin Airport in that city. It is being financed by the Canadian Government. The factory is to be operated by Fleet Aircraft, Ltd. of Fort Erie and the Briggs Body Co. of England.

Originally it was intended to manufacture the Lockheed P-38 in this plant under Canadian license. This plane, it was understood, was selected by the R.C.A.F. but was turned down by the R.A.F. who are jointly interested in the order. It is now said to be doing excellent work in England along with other pursuit planes delivered to U.K. by the U.S.A.

Negotiations are now under way for another type of pursuit ship on which both the R.C.A.F. and the R.A.F. can reach agreement. Announcement that the deal has been completed is expected within a few days.

The bomber deal, involving use of the big Malton aircraft plant of National Steel Car Co. at Malton, has been reported as definitely "on" again.

As long ago as last August, negotiations to manufacture this particular machine in Canada were under way. Unwillingness of the British to share in the order is given as the reason why this deal was never consummated. Now it is understood that the British have agreed to order this particular machine jointly with the R.C.A.F. It is expected that a deal will be announced in a few days.

Plant Largely Idle

As reported in The Financial Post last week, the Malton plant has never been used to more than a fraction of its capacity. The largest part of its output is now on the Lysander, a machine which the fortunes of war have currently rendered obsolete.

If the new order comes through, it will mean that the Lysander job can be cleared out of the way and the major part of the $2.5 millions plant devoted to the manufacture of a powerful bombing machine. The plant is also working on an order for Hampden bombers in association with other companies which comprise Canadian Associated Aircraft, Ltd.

Canada is also to share in a substantial British order for Consolidated Model 28 Amphibians, according to the current issue of Canadian Aviation, Toronto. There is a probability that these twin-engined wheel-equipped boats will be manufactured on the Canadian west coast (presumably at the Boeing plant).

Supersilk Sales Are Higher

Net Off — Embargo on Silk Disturbs 1941 Outlook

Net profit of Supersilk Hosiery Mills, Ltd., for 1940—after providing for higher taxes—likely will be lower than last year, The Financial Post learns reliably. Net profit of $84,333 in 1939 was the highest on record.

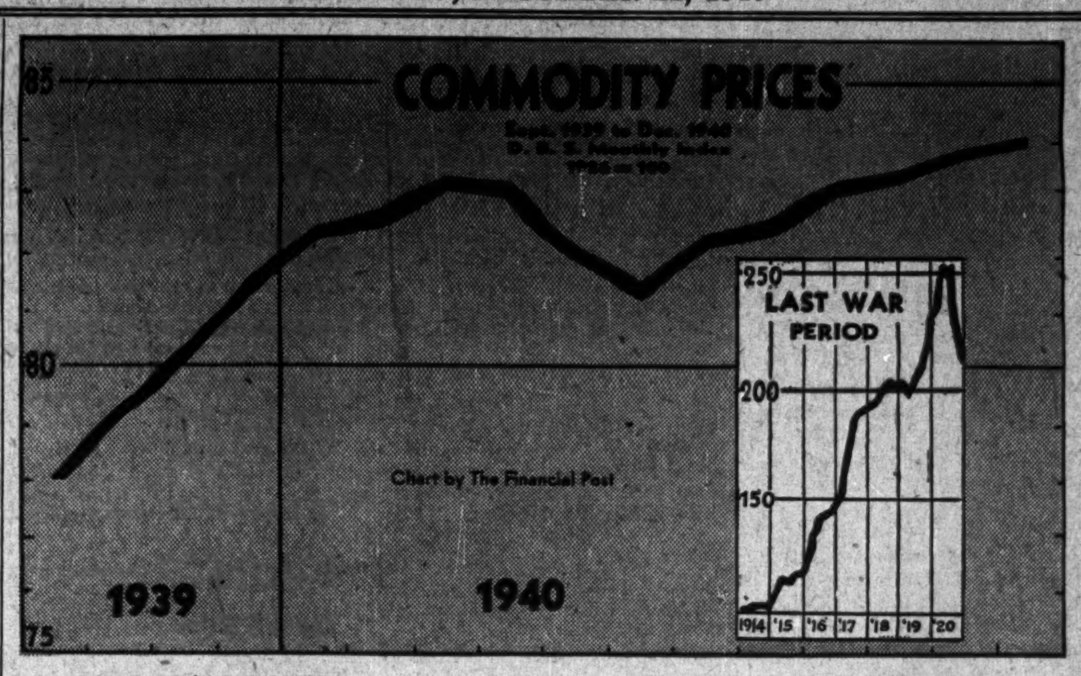
Dollar volume has been maintained if not increased this year. The jump in domestic demand has at least offset the loss of certain export markets — Great Britain, Morocco, Belgium and Holland. Exports are being continued mostly to Empire countries—Australia, New Zealand, Trinidad, India and South Africa.

Outlook is not at all clear. The silk manufacturing industry in Canada, The Post understands, has been thrown into some confusion as a result of the new Ottawa embargo on the import of raw silk—and the Supersilk company is engaged almost entirely in making pure silk hosiery.

Seek Sliding Embargo

No expense is involved in changing over machinery from pure silk to substitute materials. But it is not immediately possible to obtain alternate supplies of substitutes from sterling countries in sufficient quantities to replace the pure silk. A limited supply of a substitute is available from Britain, but this can be increased only gradually. In the meantime efforts are being directed to obtain enforcement of the Ottawa ruling gradually, instead of suddenly clamping down on pure silk imports.

A substantial increase in taxes also has to be faced this year. No figures of taxes paid in past years have been issued by the company, but earnings climbed steadily during the four years 1936-39—and the more widely fluctuating that earnings are, the bigger the tax bill. Average net profit for the four years 1936-39 was $59,695, with net last year $84,333.



PRICES DUE TO RISE?

This war has not yet brought much change in wholesale prices. But the rise is due to accelerate next year, according to the views of a Canadian student of economic and financial matters. He draws a parallel between what happened in the early months of the last war and this time, (see article below.)

See 15% Price Rise Before End of 1941

Movement Will Gain Momentum as the Year Advances, Economist Declares — To Follow Trend of First Great War

The end of 1941 will see wholesale prices in Canada 15% above current levels, in the opinion of a Canadian who has had wide experience as an economist, banker and investment counsellor. Living costs will probably lag substantially behind wholesale prices.

This forecast, based on the assumption that the war will still be going on a year from now and that Britain will still be fighting, was given privately in Toronto recently.

His conclusions can be summarized under six heads:

1. Prices, both wholesale and retail, will continue to rise moderately in the first six months, and more rapidly in the second.

2. The rise will be more pronounced in the case of fully manufactured goods than in that of raw materials: first, because some raw materials are in oversupply; second, because processing costs in manufacturing industries are likely to rise sharply.

4. Rising prices in Canada will be accompanied by rising prices in the United States; in due course, an accelerated rise of prices south of the border will help to force prices upward in Canada.

4. During the first half of next year, wholesale prices in Canada will probably rise by something more than 5%; during the second half of next year, the corresponding rise is likely to be slightly more than 10%.

6. The rise in average retail prices of merchandise is likely to be not much, if any, less rapid than the rise in the wholesale price index; but the rise in the retail cost of living, including rents, etc., will probably be somewhat and perhaps considerably, slower than this.

Look to Last War

There is a feature of acceleration in this forecast of rising prices for 1941, which follows the precedent of the last war. And it is partly on this experience that this forecaster bases his opinions.

When this man made his forecast he had available statistics covering the first 14 months of this war—that is to the end of October. He finds that prices in the United States had not moved appreciably higher. But in the United Kingdom, there has been a rise in wholesale prices each month since the war began until, at the end of October, these prices were 44% above 1938. Living costs in the latter country have not kept pace with wholesale prices, apparently having been stabilized for the time being about 20% above the 1938 level by July, 1940.

In Canada, wholesale prices were 6% above 1938 by March this year. A subsequent seesaw movement left them still up 6% on an average in October. Living costs had an unsteady rise until they are now about 4.7% above 1938. This man prepares a rough index of retail prices of certain commodities for his own information. From this he judges that retail prices are up about 5.4% in Canada.

From the last war, a parallel of great importance is seen. The first 14 months of the last war saw no appreciable change in prices in the United States. In the United Kingdom wholesale prices were up about 24% at the corresponding stage. In Canada wholesale prices were up 4.6% at this stage in 1915 and cost of living up 2%.

But the last war, with these modest

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Christmas Trees Help War Effort

From Our Own Correspondent

MONTREAL. — Antigonish and Guysborough counties of Nova Scotia are doing their share to make the Christmas season in the States a festive one. Over 175 railway cars holding 375,000 fir Christmas trees have been shipped from the two counties to the States.

This type of export trade has been growing steadily, and this year reached an all-time peak. All of the traffic is handled by the Canadian National Railways.

Montreal Bond Issue Unpaid

From Our Own Correspondent

MONTREAL. — Montreal defaulted on a $3 million issue of 3% debentures which matured Dec. 15.

It was not expected that the City would meet the maturity as it defaulted on principle for the first time on May 15. Since that date it has followed the practice of meeting serial obligations and defaulting on principal payments of term maturities.

With the Dec. 15 default, total of debentures on which Montreal has defaulted on principal but is paying interest is $10.3 millions. The next large maturing obligation of the City comes due for $3.2 millions March 1 and carries an interest coupon of 2½%.

Say Vichy Link Is Important

Continued Relations Are Deemed Bulwark Against Moves By Hitler

From Our Own Correspondent

OTTAWA.—Convinced that Canada may play a vital part in restoring unity and strength of the French nation, Ottawa will preserve present diplomatic relations between Canadian and the French Governments.

Many criticisms of the present arrangement have been received here. The fact is that Canada has no representative at Vichy, but the French Minister to Canada, who now represents the Petain Government, is officially accepted and retains his full status.

That Ottawa's policy in this regard has been warmly approved by the British Government, if not actually suggested, goes without saying.

Main Objective

It is difficult to obtain official comment on this situation on Parliament Hill. The main objectives in the policy are fairly obvious. One of the chief concerns of British policy since last June, more particularly since the collapse of Italian arms in Albania and Egypt, has been to do nothing to drive France into closer collaboration with Hitler.

Meantime, Hon. George P. Vanier, although in Canada, remains the Canadian Minister to France.

The War And Business . . A Weekly Round-up

Roll Out the Bombers

In England this week Lord Beaverbrook threw a stirring challenge to British industry to "roll out the bombers." He cracked down on overconfidence, threw out a blunt warning of the air invasion which may come at any time.

In the United States President Roosevelt aroused the entire nation by three pregnant words: "If we survive." His warning was followed by blunt facts of aircraft shortcomings revealed in New York by Defense Adviser William S. Knudsen.

These and other signs point to greatly increased energy and production by the U. S. to meet the terrible urgency of the war need.

Everywhere the question is being asked: What about Canada? Why is so little being done to rouse this nation to its utmost in sacrifice and service, plane production, training and armament plans?

* * *

Ilsley Rebels

In Canada Government spokesmen seldom, if ever, admit shortcomings in the nation's war plans and programme. Hundreds of columns of Hansard are devoted to complacent recital of what has been done. There is little attempt to face the facts "at home" or to arouse the nation's emotions.

Must we wait for bombs over Ottawa or Halifax or Arvida to rout out complacency and command the utmost energy for plane production, air training, and the war effort at large?

Even the speech made by Hon. J. L. Ilsley in Toronto this week was delivered in the face of objections.

The War Savings Committee, on whose behalf he spoke, believes apparently, that the country should not have ministerial information and inspiration more often than once a month. Because Mr. Ilsley had spoken in Montreal the previous week it advised against the Toronto appearance. The Minister wisely overrode the objection.

* * *

Five Hundred Per Cent

And by the way, a writer in a recent economic bulletin issued by the Oxford Institute of Statistics attempts to measure Britain's war effort with that of Germany. He finds the U. K. still lagging.

His view is that at the time of France's collapse, German expenditure on the war was at the rate of £4,000 millions sterling against a corresponding figure of £3,000 millions in U. K. The German figure does not include loot in the form of foodstuffs, armaments, raw materials, etc., from occupied territories.

His conclusion is that Britain must contemplate an increase of at least 30% at present prices in the rate of its war effort to match that of Germany.

Applying these figures to Canada our own war effort (using the figures quoted in this column last week from H. R. MacMillan) should increase from an expenditure of $3 millions to between $15 and $16 millions a day, or 500%.

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More Taxes

Mr. Ilsley told audiences in Toronto and Montreal that the Government would need to raise a billion dollars—over and above tax revenues—next year. He did not say just how, except to stress the need for stepping up war savings effort at least to the $10 millions a month mark.

But Ottawa is rapidly realizing that greatly increased taxation on many types of consumer goods must be introduced. Urban Canadians are going on a huge spending spree right now. To prohibit purchases of certain types of goods and attempt to collect the money by loans or savings campaigns is difficult and costly. Restriction requires all manner of regulation. The money channelled into loans accrues on the nation's books. Interest and principal must be paid thereon.

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It's Deliveries That Matter

The new Roosevelt plan for loaning war materials to England clears the air of a lot of misconceptions.

What Washington has been concerned about for many weeks has not been finance so much as deliveries. The money matter is purely technical. If it cannot be arranged the Roosevelt way it will certainly be arranged another way.

What the conferences at Washington have really been about is not finance but deliveries. The emergent and dominant question throughout has been: "How soon and how much can we send?"

* * *

Tools for "Defense"

Facts encouraging to Canada and the Empire are found in a survey of machine tool expansion for national defense published by the National Machine Tool Builders' Association of Cleveland.

Highlights:

U. S. machine tool production in 1932 and 1933 was $23.5 millions annually. In 1929 (previous peak) $185 millions.

In 1940 it will reach $400 millions.

In 1941 anticipated output is $600 millions.

Employment in the industry has more than doubled in the past two years, with the bulk of the increase in 1940.

Half U. S. machine tool employees today have been trained on the job since Sept., 1939.

One typical example to show how almost the entire production has been channelled into national "defense" cites only 3.3% of output as going outside U. S., British or Canadian armament needs.

In this case, 28% of output was going directly to Canada and Britain and a further 25% to the aviation industry.

The ratio of tools for Canada and the U. K. is probably much higher than that but is being purposely soft-pedalled so as to avoid possible objections that U. S. needs are being subordinated to those of Britain and Canada.

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Shipping Size-up

An observer in "PM" has been doing a little figuring on the critical subject of British shipping.

Estimating losses at 80,000 to 90,000 tons a week (the actual figure for the two-week period ended Dec. 8 was 182,848 tons) would give a total of five million tons a year. This is still less than half the rate of loss in the critical period of the last war—April, 1917, when 881,000 tons of cargo boats were sunk by subs.

At this rate it is estimated that it will take "considerably more than a year before Britain will be really up against it."

Why?

At the beginning of the war there were about 18 million tons of Empire shipping available for essential war work. Add to this 8 to 9 million tons from merchant fleets of countries conquered by Hitler, also 250,000 tons purchased from U. S. and another million tons of new hulls completed in British yards since Sept., 1939.

The rough total of these figures after deducting losses to date, is 22 and 24 million tons. Of this, 16 million tons is needed to provide food and materials. Thus there appear to be at least a six million ton margin — a year's "backlog" even assuming the present terrible rate of loss continues.

Urge Overhaul of Law To End Abitibi Cases

Proposals For Major Revision of Canadian Bankruptcy and Reorganization Law Believed Foreshadowed by Key Evidence on Abitibi

Certain key evidence before the McTague Royal Commission on Abitibi Power & Paper Co. is now rated a forecast of important features of the commission's recommendations. A report is foreshadowed that will be far broader than the problem of Abitibi, great as that is, and will seek to overhaul the whole system for the reorganization of companies.

It is regarded as significant in informed circles that two outstanding experts on company law, W. Kaspar Fraser, K.C., and F. R. MacKelcan, K.C., were called to the stand. The evidence of these men was directed almost entirely toward bringing out existing weaknesses in Canada's machinery for curing sick companies.

Likely Recommendations

On the basis of Justice McTague's examination of these two experts it is now forecast that the Royal Commission's report will make a number of important recommendations in this field. The evidence at the commission hearings indicates that these proposals will probably be along the following lines:

1. Certain features of United States bankruptcy and reorganization laws may be recommended for adoption in new Dominion legislation to replace the existing Companies Creditors Arrangement Act. These may include:

(a) Restrictions on the activities of protective committees acting in reorganizations.

(b) Revisions in powers given to protective committees through deposit agreements with probably greater withdrawal privileges for depositors or measures for a free vote.

(c) Provision for more active participation by the court in company reorganizations. This might include what Mr. MacKelcan termed "appraisal-out" in his evidence, or the power to declare that certain interests have no share in the assets of the company concerned.

(d) Provision of machinery for eliminating what are usually termed "nuisance value" claims.

An Abitibi Plan

2. A specified plan of reorganization for Abitibi will probably be submitted, although there is no certainty yet as to what means can be taken to enforce any plan that is presented. Perhaps a special Dominion act may be required or it is possible that rapid action on recommended changes in the existing legislation could be completed in time to be of use.

3. Prorating of newsprint production will likely be a feature of the report although here again there is no certainty as to what the commission will have to say. However, a good deal of testimony was heard on prorating and the effect of provincial interference in the newsprint industry, and presumably this will at least be taken into consideration.

One thing can probably be accepted and that is that any recommendations advanced by the commission will not be mere face-saving. This commission, and particularly its chairman, who has had extensive experience in the working of the various company legislation in Ontario and the Dominion, appears to have taken its job seriously. It evidently sees in this Abitibi case an opportunity to do a much more important job of overhauling our machinery for company reorganizations.

There is clear evidence that the commission sees a case, such as that of Abitibi, as bigger than any investor group; that public interest is directly involved.

Summarizes Legal Differences

Evidence taken on Dec. 10, when Mr. Fraser and Mr. MacKelcan appeared, was directed largely toward bringing out the comparative advantages and disadvantages of American, English and Canadian practice with regard to company reorganizations. Mr. Fraser summarized the main difference between the respective laws in a few main points.

The U.S. legislation—known variously as the Chandler Act and Section 77B of the U.S. Bankruptcy Act—provides for a preliminary report by the trustee. Then the plan of reorganization comes before the court on a hearing before the plan has necessarily taken final form. There is also provision for the intervention of the Securities and Exchange Commission, largely in an advisory capacity. According to Mr. Fraser, major difference between Canadian and American practice is that the Courts in the U.S. are required to "approve the plan as being fair, and equitable and feasible."

Responsibility on Court

As brought out by the chairman of the commission, the duties of the

(Continued on page 4, col. 7)

Acme Glove Ltd. Prospects Good

Results for Year Will Be Much Improved Over 1939

From Our Own Correspondent

MONTREAL. — Sales of Acme Glove Works Ltd. in the current year are expected to be substantially better than last year, November and December are the two most active months from a sales standpoint in the year. In November operations were at high levels and business so far this month has maintained the favorable comparison.

While volume has been much better, labor and material costs have risen only moderately. It is expected earnings for the current year will be more satisfactory than in 1939, when net profit amounted to $3,405. The four base years on which "excess" profits tax would be calculated were lower than normal.

Tariff changes in glove imports recently announced by the Dominion Government are not expected materially to affect the company. English importers have been shipping fine leather gloves into Canada for many years.

Burns and Co. Earnings Off

Likely Under 1939 Level Despite Betterment in Last Six Months

Earnings of Burns & Co. for 1940, judging from present position, will likely be slightly lower than in 1939, The Financial Post understands from reliable sources. The company had net earnings of $546,346 in 1939, before miscellaneous income, depreciation, bond and bank interest and income taxes.

Operations in Canada have been greater than a year ago in both domestic and export sales, as is generally understood to be the case with all Canadian packers. Results during the first half of the year were somewhat disappointing when volume of business is taken into consideration, due very largely to local marketing conditions.

An improvement in business and earnings has taken place, however, in recent months which has narrowed the extent of the decline.

The company's subsidiaries, Palm Dairies Ltd. and Consolidated Fruit Ltd., it is anticipated, will show earnings maintained.

Montreal Power Share Profits Affected by New Taxes

From Our Own Correspondent

MONTREAL. — Montreal Light, Heat and Power Consold. gross income for 1940 will be nearly $2 millions greater than in 1939, but an even greater expansion in uncontrollable expenditures, particularly taxes, will reduce net profit below the level reported last year.

When all returns are in it is expected that the company's financial statement for 1940 will show net profits equivalent to around $1.80 a share. This contrasts with $1.91 a share in 1939.

Operations have been on a broader scale this year. Up to the end of November electricity output, exclusive of secondary power, totalled 1,092 million kilowatt hours, a gain of 11.48% over the like period of the preceding year.

Gas production also showed an increase, returns for the first 11 months of this year aggregating 4,451 million cubic feet, an advance of 2.76% over the same period in 1939.

Gross revenues have increased proportionately with the rise in electricity and gas production. Ordinary operating expenses have been kept well in hand, but this improvement has been offset with a rise of over $2 millions in taxes. Last year the company paid out $3.8 millions in taxes; the figure this year will be close to $6 millions.

Make Sure You See—

Big Trade Chance Begging in West Indies
West Indies Clamor—p. 9.

Ideas on Wartime Investing in 1941
Policy Modified to Suit—p. 11.

Ottawa Courage Only Limit on Mine Aid
Marginal Mines Will Receive—p. 14.

16,000 Firms Boost War Savings
War Savings Certificates—p. 4.

Alberta Politics Cramp War Effort
See War Effort Braked—p. 16.

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TORONTO CANADA

The Nation's Business

(Continued from page 1)

needs planes it has to freeze its ideas once in a while long enough to settle on something so that manufacturers can go ahead.

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Canadian Aviation, in its current issue, points out that Ralph P. Bell, director-general of aircraft production, has been ready and eager to go on U.S.-type planes since the middle of July. Unquestionably, Canadian airplane manufacturers have been just as eager to speed up on a full-scale aircraft production programme.

Canadian Aviation says, "Evidently the difficulty has been getting from Britain a decision on the type to be manufactured." It admits that the British have a very real problem in this connection; it is to select a type with performance and armament sufficient for front-line combat a year or 18 months from now.

But to the layman, hearing the constantly reiterated call for "planes, planes and more planes," it is difficult to comprehend how Britain can be defended or Germany bombed by airplanes that never get off the drafting board.

* * *

Would it not be possible to turn our airplane factories loose on the best and most modern airplane our technical men have yet designed; to give them orders sufficient to ensure economical, efficient production, and to let them work undisturbed on those planes for a few months while the technicians are refining something new?

Would there be any automobiles at all if motorists had always taken the attitude that there was no use buying the newest available models because in the drafting room or out on the testing ground there was developing something faster and more gorgeous—next year's model that was not yet born?

Would Harold S. Vanderbilt ever have won the America's Cup if at the moment his yacht approached the starting line he had asked his opponent to call off the race because he had just thought of something better? Would his opponent wait a couple of years for him to get his new yacht ready? Not if the opponent were Adolf Hitler.

That is the way we seem to be trying to make airplanes: by not making them; by just waiting for the inventors to get through their work. The obvious thing to do is to produce the best models available at the moment and keep on making them until you have something supremely better to work on.

* * *

It is to be hoped Mr. Howe can close up some important gaps between British and Canadian ideas in this field.

There is difficulty in reaching agreement between Britain and Canada on models. We do not want to make the models Britain asks us to make. Britain does not want the models we think we ought to be making.

There is even no firm understanding between Britain and Canada as to whether we ought to buld up or abandon our aircraft industry; or turn it all over to some less intricate type of plane, such as primary trainers which we make superlatively well.

Both of these difficulties arise in part out of our lack of a war plan. Obviously the number and types of airplanes we make are going to be influenced by the rôle we select for ourselves in empire or hemisphere defense.

* * *

Another major difficulty is the entanglement of red tape; the endless filling out of forms; the constant delay in reaching decisions; the petty obstructions from defense and administrative officials who do not know how things get made.

One answer to all these problems is to have a war programme. But a second answer is to have competent men to carry out the programme and to give them full authority to get the job done the best way they know.

At the present time dollar-a-year men, drafted to clean up the mess and get production going, have been given responsibility without authority. They have been told to get results while the politicians and officials retain the power in their own hands and make results impossible.

* * *

The airplane situation is worthy of study not merely because the shortage of airplanes is the most serious weakness in the whole Empire war effort, but also because what happened to airplanes can happen to shells, and guns, and tanks, and motor vehicles and every other aspect of our war supply programme.

It could happen; and it is likely to happen unless the politicians put war supply—an industrial job—into the hands of an industrialist to do.

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Borrowing . . .

THAT HELPS MANY

Everyday citizens in all walks of life—wage-earners, professional and business men and women—are borrowing from this bank for personal needs.

They are repaying these loans in twelve monthly instalments and the "hire" for the money is only $3.65 for each $100 borrowed. There is no other charge.

BANK OF MONTREAL
ESTABLISHED 1817
"A bank where small accounts are welcome"

A91

Chain Letter Money

U. S. Law Authorities Crack Down On Canadian's Fiscal Reform Plan

A Canadian-bred scheme to reform the monetary system with a chain letter type of "funny money," ran afoul of the law in Buffalo this week.

Ever since he retired as a stockbroker in Toronto eight years ago—at the relatively early age of 43—Frank O'Hearn has been a dilettante crusader for revision of existing economic and monetary methods.

He formalized his research and planning under the name of the Frank O'Hearn Institute of Valuation and Exchange, in collaboration with his sons, Douglas and Eugene. He published pamphlets on his pet subject, which orthodox users of cash money found somewhat bewildering and obscure. And finally, about two years ago, he applied for Canadian patent on a magniloquent scheme which he entitled: "The Frank O'Hearn Valuation and Exchange Device and Process."

Replace Present System

Published with about 50% of the text in capital letters, this scheme was avowedly designed to replace the present system of money and credit; divorce the exchange of wealth from use of gold, silver and bank credit; restore to the Canadian people a "huge volume of missing cash savings;" and incidentally to abate the economic and social evils said to be prevalent in Canada.

Lacking the political alchemy to turn the misfortunes of the ignorant into popular backing, Mr. O'Hearn was unable to carry his scheme any nearer to actuality in Canada than the printed page and the dusty files of the patent office.

But a few weeks ago, he rented ground floor offices in Buffalo, had a large number of blank cheques and passbooks printed, and opened up the "National Depository of America" to restore the "decirculated" spending power of Americans.

U. S. Officials Crack Down

Not only did this fail to start any noticeable wave of new prosperity or challenge the present U. S. system of currency, but it promptly stirred a rising storm of official disapproval and restraint. This was climaxed this week in Buffalo by arrest of his son, Douglas (aged 24), on charges of using the mails to defraud in connection with the scheme. Mr. O'Hearn himself had previously been barred from re-entering the U. S. after spending a week end at Toronto.

Incredulous but nonetheless hostile authorities who converged on the O'Hearn project—net result of eight years of monetary visions—included the Buffalo Better Business Bureau, New York State bank examiners, U. S. Immigration Service, and agents of the U. S. Attorney-General. They learned that the National Depository was undertaking to give to all comers a pass book showing a credit of $231 and a supply of blank cheques. All that was asked in return was a service fee of $1 a month (in real currency) for "book-keeping and overhead."

"Share the Wealth"

The $231 appears to be the average share allotted by the O'Hearn plan to each of America's 130 million people in the estimated $30 billions of U. S. "decirculated" currency, much of it in unclaimed accounts. Every participant was to be free to draw cheques on his $231 "deposit" and buy goods or services from anyone who would accept the cheque. The cheques would be redeemable at the depository for another set of pass book and cheques, and so on ad infinitum.

Mr. O'Hearn is reported to have told investigators that he estimated he would build up a total of 800,000 participants in the scheme. This would bring in nearly $10 millions a year in service fees at the rate of $1 a month, but would involve allotment of total "deposits" amounting to about $185 millions.

Cheques Without Value

Like chain letters, this would no doubt have worked as long as nobody declined to play ball or demand his money on the line. Just how the cheques were to be redeemed is not quite clear. According to a memorandum by Mr. O'Hearn, the "decirculated debt dollars" provided by the banks are "now in possession of the National Depository of America." But it was frankly admitted, as far as investigators could learn, that the cheques issued had no cash, collateral or security value, and had no redeemable value in the monetary sense.

Like King Canute, Mr. O'Hearn sought to rule the tide of prosperity by word of mouth.

Buffalo authorities regarded the scheme, in effect, as a proposal to give away $231 worth of other people's merchandise to anyone who would ask for it. And they feared serious results if gullible persons were not prevented from accepting the cheques under the delusion they were spendable or cashable; and merchants from accepting them in the belief they were convertible into perfectly good U. S. dollars.

Prior to becoming an amateur reformer of the monetary system through "cashless checking accounts," Mr. O'Hearn headed a brokerage firm under his own name in Toronto. He disposed of his interest in the firm, which is still in business, and now has no connection with it. Previously he was an accountant and auditor.

Lag in War Output

(Continued from page 1)

pect of Anson production getting under way for at least three to four months—possibly more than that.

There seems little prospect of materially stepping up plane production to the Howe figure for at least six to nine months.

Cannot Make Up Minds

Behind this disappointing record is a reason similar to the one given in the United States.

One man who speaks with intimate knowledge of the Canadian situation from the viewpoint of production, told The Post:

"Our defense forces cannot make up their minds as to what they need. This applies both to the R. C. A. F. and the R. A. F. It takes them months to decide on the simplest matter and when the decision is made they are apt to reverse it the next day.

"Air Force officials are loath to purchase the plane that can be bought today. They want the plane which won't be in production for a year.

"Of course every airplane in use today is obsolete. It is obsolete because although it may be the very latest thing ever to have been built it is superseded long before it goes into the air by a more modern design being worked out somewhere on a drafting board. It is the same with yachts or motor cars.

"Yet we would launch no planes nor yachts nor drive any motor if we all waited to get the newest design lying on the inventor's drafting board.

"The aircraft industry in Ottawa has no authority to 'freeze' aircraft design. At Ottawa we have a director-general of aircraft production. I believe he is a capable executive. But like Mr. Knudsen in the United States he has no authority over the whims of his 'customers.'

"He and the manufacturers he represents are in the hands of technical advisers who seemingly have little regard for production schedules.

"Until a better answer to this problem is found there is little chance of overcoming what is to my mind the most serious bottleneck in the Canadian aircraft industry."

Changes Inevitable?

The answer of the air command to this charge is that such changes are inevitable if the war is to be won.

"There would be no excuse for such policies in peacetime. In wartime you must choose between winning the war and maintaining production records.

"If you intend to win the war you cannot avoid changes in design merely to please the production manager, assuming, of course, these changes are the result of experience in actual combat.

"Inevitably this means delay. But it is no use putting planes in the air that cannot fight and win."

Canadians will not quarrel with this view. The planes we build must win battles or train winning air crews.

But if Canada is to be given hundreds of millions of dollars worth of airplane orders, our big investment in plant, our vast resources of labor and materials must be used effectively.

Looking over the record of the past year that is clearly not the case. There has been procrastination, delay, unconscionable shifting and changing of policy.

Late With Orders

One specific example of what has happened in Canada under these conditions is the attempt to get fighter and bomber planes manufactured. As told this week to The Financial Post the story is something like this:

Prior to the war and until the middle of this year the Canadian fighting forces had placed no orders for Canadian combat types — bombers, fighters and the like. One reason given was that it was impossible to know what form an attack on Canada might take. We were apparently to wait until we were actually bombed before we ordered machines.

At any rate, no orders were placed nor did the Air Command seem to have any idea as to what planes were needed.

Long negotiation and controversy followed. Involved in the controversy was, first, the kind of airplane which should be ordered; next, the question as to whether these should be produced in Canada or bought in the United States. If the planes were to be made here, there was the question of whether or not the British Government would supplement the Canadian order on a basis which would make Canadian production economic. This involved further controversy as to whether Canada should make British or U. S. types of combat planes.

After some months delay Great Britain agreed to supplement an order with some Canadian factory for an American-type bomber and an American-type pursuit ship. A deal was made in the U. S. for a certain type of bomber and the terms arranged.

A few days later word was received that the British officials had decided there were certain objections to this machine.

The past two months have been taken up trying to line up with another concern.

Recently there has been another change in the official "mind"—the deal for this very plane is said to be "on again."

Whether it will be consummated now and, if so, what success the industry will have in actually moving through to production remains to be seen.

Air Policy

The authority which determines air defense policy in Canada is the Air Council working through its Air Members for Training and its Air Member for Aeronautical Engineering. Late in November Hon. C. G. Power, Minister for Air, announced some changes in this branch of the air command whereby Air Commodore Robert Leckie and Group Captain S. G. Tackaberry became members of the Air Council for Training and Supply respectively.

Under this setup Air Commodore Robert Leckie is the "customer." It is his division which initiates the recommendation for an aircraft type to fulfill a certain training requirement. These specifications are then studied by the Aeronautical Division under Air Vice-Marshal Stedman and worked out in greater detail by the Director of Aeronautical Engineering, Captain Alan Ferrier.

Lack o. Authority

Development specifications are then handed to the Department of Munitions and Supply to be given to interested manufacturers. When the industry has submitted its plans to meet the specifications, there are further conferences between the training and engineering commands. A prototype is selected and turned over to another department for testing. Meanwhile the Air Member for Supply investigates availability in quantity, etc.

The training division, being the "customer," always has the final decision and it can change its mind as often as it likes.

The Director-General of Aircraft Production, Ralph P. Bell, has no authority to "freeze" specifications even for a period or to compel air force officials to stick to a design once the order has been placed.

Planning More Curbs On Consumer Buying

Budget Fails to Stem Purchases of Peacetime Commodities — Higher Taxes, Further Prohibition of Imports Expected

From Our Own Correspondent

OTTAWA, Ont.—It has come as a profound shock to the Government to learn that the Ilsley "baby budget" is having little effect as yet in curbing consumer purchasing power. Greater restrictions are contemplated if the present situation continues.

Some specialty shops and some departments of retail stores are, of course, affected. Also there will be a progressive decline in the number and variety of styles and patterns in many lines of merchandise. Mail order catalogues, toy departments, furniture, novelties, are typical.

But already those who must attempt to gauge consumer buying power in 1941 are forecasting considerably increased sales. At least two automobile manufacturers are said to be planning to sell more passenger cars in Canada next year than they did this year.

Also, important retail outlets which have now had a chance to gauge public reaction to the new taxes and restrictions are still counting definitely on increased sales in total business. They doubt if the new taxes will have any appreciable effect in curbing consumer purchases so long as the merchandise itself is obtainable.

Forecast of New Policy

The Government's answer to this situation is likely to be along the following lines:

1. There is almost certain to be considerably higher taxation on the type of goods taxed in the baby budget, if present rates do not slow down consumer purchases.

2. There is certain to be a further extension of the prohibition list in respect of U. S. imports.

(The "restricted" list will be attacked almost immediately, first in respect of silk and next in regard to imports of refined gasoline. But the next budget will widen the number of items whose importation is prohibited entirely. As it may be getting on toward summer by the time the next budget comes down, the highly controversial item, fruits and vegetables, will probably be affected then.

3. There will be some form of control to decide whether or not industry may expand plant facilities and equipment on import items (or their substitutes) which are banned by the budget.

4. Some measure of control may be exercised over installment sales if it is found that increased taxes are lengthening the time period over which durable consumer goods can be bought and paid for.

Tax Only 12½%

As already reported in The Post, the Government believed it had made a very drastic and far-reaching move in prohibiting $80 millions of goods from being imported and in imposing a special 25% tax on a number of durable consumer goods.

Since the mark-up on this merchandise is high and since the tax is levied on the manufactured rather than the selling cost, the actual burden of the tax on the consumer is not more than 12½%—on an average. At a time of rapidly rising buying power among urban wage-earners, such a tax as this is insufficient deterrent to buying.

When this tax was first discussed a figure of 100% was considered. So was a 50% impost. But these notions were discarded as being far too stiff. It was felt that the 25% tax would do the trick. Since this is apparently failing in its avowed purpose to reduce purchases of this type of goods it is almost certain that the Government will not hesitate to impose a still higher rate of tax.

Control of Plant Expansion

Another important effect of the Ilsley budget may be the setting up of a new form of control—control of new plant expansion or extension of existing plants for manufacture of consumer goods affected by the restriction on U. S. imports.

Today about the only direct control for new expansion of this type is that which is vested in Thomas Arnold as machine tool czar. But instances are coming to light every day of firms who see an opportunity to expand production facilities as a result of the U. S. ban and who can do so without the use of new machine tools.

At present it is no one's special responsibility to say "yes" or "no." Yet many government officials feel it would be obviously unwise if there were to be any considerable extension of plant or facilities to divert materials and labor into making the sort of consumer goods which have come under the import ban.

So far Canada has laid down no definite policy. There is no authority under which permission (if asked) can be refused.

Would Make Substitute Here

One important example which has arisen in the past few days has to do with a proposition to invest nearly $500,000 in Canada to manufacture in this country a substitute for a commodity whose importation has been banned by the recent budget. This item has never previously been manufactured in Canada.

In this case the sponsors are seeking some assurance that they will be able to import semi-processed or raw materials from which they make their project, once they have made the investment in this country.

Still another phase of this problem is the vexed question of setting up new or idle plants to assemble in Canada automobiles which were formerly imported from the United States. Here again the Government faces a situation which is complicated not only by questions of raw material and labor but also by the problem of a livelihood for thousands of dealer organizations throughout the country who are threatened with loss of jobs.

Already the policing of price affected by the budget has been placed under the Wartime Prices and Trade Control Board. What is probable is that some control authority, probably the Wartime Industries Control Board, will be charged with telling industry whether it can have a red or green light in so far as plant and sales expansion in Canada on items affected by the recent budget are concerned.

Installment Selling

The next budget may also exercise some measure of control over installment sales.

In peacetime this has been deemed a matter of provincial jurisdiction. But in time of war there would be no hesitation in making some restrictions if necessary.

In respect of installment sales it is feared that as higher taxes are placed on durable consumer goods, those selling such articles on "time" may be tempted to extend the time limit from say 18 to 24 or even 30 months. This is something which would be deemed very unsound by the Government. If there is any evidence that it is happening steps will almost certainly be taken to prevent it.

On the general question of installment sales the Government is faced with this dilemma: How can any restriction be placed on installment selling without at the same time curbing the sale of personal loans?

What purpose would be served in restricting the purchase of say a radio on a time payment plan and at the same time permitting personal loans to be made by which a customer could borrow the money first (on installments) and then to make the purchase?

There is fear that restriction of this sort might be interpreted as a discrimination against the "little man." Most personal loans are for a shorter period than the majority of time sales. They are probably more difficult to negotiate. However, a curb in the former would definitely limit purchasing power for this type of goods.

Evolve New Procedure To Get Seaway Started

From Our Own Correspondent

OTTAWA.—The Government is maintaining tactful silence on the St. Lawrence seaway negotiations. Meanwhile President Roosevelt proceeds with a campaign evidently aimed at launching construction of seaway power projects as an emergency measure in the spring of 1941. This would achieve production of power on the international section of the river initially by 1944-45, and fully by 1946.

As the Roosevelt campaign unfolds it is becoming apparent that an entirely new approach has been adopted which, it is believed, holds a better prospect of success.

Treaty procedure which failed in 1934 has been abandoned in favor of simple statute requiring only majority approval. Administration of the seaway is to be entrusted to the International Joint Commission under article 13 of the convention of 1909 which reads:

"In all cases, where special agreements between the high contracting parties hereto are referred to in the foregoing articles, such agreements are understood and intended to include not only direct arrangements between the high contracting parties, but also any mutual arrangements between the United States and the Dominion of Canada expressed by concurrent or reciprocal legislation on the part of Congress and the Parliament of the Dominion."

The argument, apparently, is that the United States Senate, in ratifying the 1909 treaty, gave its assent to "concurrent and reciprocal legislation" as a means of dealing with boundary waters.

Dispense With Treaty

This implies that Mr. Roosevelt may dispense with the treaty method of obtaining sanction for the seaway and proceed with ordinary legislation, which will be sent to some committee of the Senate other than the foreign relations committee. In 1934, the St. Lawrence treaty failed because the vote for it was 46 to 42 and a two thirds majority was necessary.

With only a straight majority required, enactment of ordinary legislation would seem to be assured and Ottawa is evidently proceeding on this assumption. The present negotiations are being taken very seriously. So far as this country is concerned the agreement now pending will be just as favorable as was the treaty of 1932. Under a new power agreement to be negotiated with the Ontario Government the cost to the province of St. Lawrence power will be reduced materially below the figure in the Dominion-Ontario agreement which supplemented the 1932 treaty.

Defense Need

Developments of the past few weeks are chiefly important because President Roosevelt has put the whole seaway question squarely and fully on a basis of hemisphere defense needs. He has ignored the traditional arguments both for and against it and in his message read at a Detroit power conference on Dec. 5 he appealed for immediate action largely on grounds of defense.

Seaway power is urgently required, he argues, because "the United States needs, tremendously needs, the power project which will form a link in the seaway to produce aluminum and more aluminum for the airplane programme which will assure command of the air."

Seaway navigation is needed too, he thinks. "The United States needs this great landlocked sea as a secure haven in which it will always be able to build ships and more ships in order to protect our trade and our shores."

Build Warships?

The use of the word "protect" in connection with shipbuilding on the Great Lakes occurs again and again and can only refer to the construction of warships. It is the intention, apparently, to create the maximum possible facilities for the building of warships and cargo vessels on the Great Lakes, "close to the sources of supply and labor, raw and finished materials." Such facilities would be "further removed from possible attack."

The size of such ships, of course, would be limited to the 27-foot depth of the seaway and Welland Canal and to the width and length of the locks. It is believed, however, that warships up to the size of small cruisers could be built. Submarines, destroyers, corvettes, etc. would be the more obvious output, and these would be supremely important in protecting the Atlantic seaboards.

The Canadian Government is believed fully informed on Washington's plans.

See Upward Wage Move

Ottawa "Suggestion" Sets 1926-29 Yardstick For War Industries

An increase in wartime industry wages to the 1926-29 level, if they are not already there, is likely to result from Ottawa's order-in-council "suggesting" the cost-of-living wage bonus plan.

The order was clearly intended to deter, not encourage wage increases. But there seems little doubt that every wartime industry and all other groups coming under the Industrial Disputes Investigation Act will immediately use the 1926-29 yardstick announced by the Government as its wage "ceiling," to determine whether or not wage rates are currently high enough.

If they are not at the 1926-29 average they will likely apply at once for an appeal board to permit wages to be raised to the "yardstick" level.

Above 1929 Level

Figures of the Department of Labor show the 1926-29 average of wage rates for various typical classes of labor was about 191.2 on the basis of 1913 equals 100. No general average for 1940 has been published, but in 1939 the corresponding index was 198.3 or an increase of 3.2%. The 1940 average for all classes will almost certainly be higher.

However, in some industries and groups wages have not gone back to the 1926-29 level. For example, 1940 figures in the building industry suggest that wage rates in 1940 were still 5% below the 1926-29 figure. In the metal trades, on the other hand, the 1940 average is already 10% above 1926-29.

One very important group is the railway companies. The 1940 index for this group of employees is currently about 4% higher than the 1926-29 average.

However, the Government has merely suggested that in the event of a wage dispute reaching an I.D.I.A. appeal board, the 1926-29 "ceiling" and certain other principles shall govern the settlement of that dispute.

See 15% Price Rise 1941

(Continued from page 1)

beginnings, carried our wholesale price index up more than 150% and our cost of living index up a little less than 100%. In the last war, during the year which corresponds to 1941 this time, wholesale prices in Canada rose 25% compared with a rise of 27% in the United States and 30% in the United Kingdom. Living costs went up 9% in Canada against 12% in the United States and 24% in the United Kingdom.

There was a visible impetus from the United States last time which this man sees getting under way again. The prices of U. S. primary commodities rose 5% from Oct. 5, 1940, to Nov. 16.

Considerations that are developing now and that will probably influence commodity prices in 1941 include certain key factors, forcing prices higher. There is an oversupply of certain basic products, chiefly food products. This has arisen in part because Europe, which formerly took one third of the barley, wheat and oil entering world trade, two fifths of all the tobacco and coffee, 47% of the cotton, and 54% of the wool, is no longer open.

Then there is the close approach of full employment in Canada, forecast as likely to arrive in July by Hon. C. D. Howe and estimated as likely to arrive in the United States not a great deal later.

The excess profits tax, it is contended is an inflationary factor, influencing businessmen to foresake customary careful buying and spending.

Finally there is the selective excise taxation of which we have already had a preliminary dose.

Foreign Exchange

During the week Dec. 10 to Dec. 16 there was no change in the quotation for the United States dollar at Toronto and Montreal, which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Dec. 16

Australia	3.58	N. Zealand	3.61
India	.3372	S. Africa	4.47
Japan	.2606	Hong Kong	.2647

London Calling

by Atticus

Significant Difference in Public Appearances of British Royalty and the Dictators — The King's Fine Voice — The Turkish Bulwark

H. M. THE KING

MR. CHURCHILL

LONDON.—If the opening of Parliament lacked its usual trappings, there was a significance that must have been felt by everyone who was present. Instead of a golden coach the King and Queen arrived by motor-car. The customary escort of Household Cavalry was missing, and their Majesties had no other attendant than a police car which travelled at a discreet distance. When one recalls the bullet-proof armoured vehicles in which the Dictators are protected from the frenzied love of their people, the contrast is markedly in favor of democracy, which, despite Mr. Joe Kennedy's pronouncement, is by no means finished in these islands.

His Majesty wore the uniform of an Admiral instead of the traditional robes, and the Queen was dressed in a simple bluish costume that was wholly charming. The Duke of Gloucester, as a Major-General, and the Duke of Kent, as an R.A.F. Group Captain, completed the Royal brothers' tribute to the Forces. True to precedent the Speaker and the loyal Commons were invited to make the pilgrimage from their chamber to "the other place," although the absence of robes and coronets among the peers made the M.P.'s look less like a gathering of mendicants at the gate of the rich man's palace.

When the members of the Commons had taken up their position, the King was handed the Speech to read. It is difficult to praise a monarch without incurring the charge of being a courtier, but I know of no voice among our public men more rich or with such carrying power. The King has discovered a secret that eludes most of our parliamentary orators—that is, to produce the tone as a foundation and then superimpose the enunciation upon it. The fault, especially among Conservative M.P.s, is to pronounce without first creating the tone. The King makes no such mistake.

• • •

Churchill as Host

The morning before the opening Mr. Churchill invited all the Ministers now in the Cabinet to his room in the Palace of Westminster. In addition there were present the mover and seconder of the Loyal Address, Squadron-Leader Grant Ferris, and Mr. Key, the Mayor of Bow and Bromley. The Prime Minister dispensed a modest glass of sherry to his guests, and then took up the King's Speech to read to them. "It is customary at this point to rise," he said, with that mingling of humor and deep respect for tradition which has made him such a supreme parliamentary figure.

The next day, when Grant Ferris moved that a Loyal Address be sent to his Majesty, he showed more perturbation at our presence than he had done when, in the air over Dunkirk, he "spied strangers." Nevertheless there was a pleasant humor in his style and an open pride in his colleagues of the R.A.F. His tribute to the factory workers and the unpublicized ground staff will be appreciated far beyond the windows of Westminster.

Mr. Key, fresh from the civilian front line at Bow and Bromley, achieved the almost impossible task of giving the House full blown oratory and making it acceptable. Like Danton he believes in the compelling phrase and has little use for the conversational style.

Preceding the two speeches Mr. Speaker reminded us of our historic rights as elected legislators. It was comforting in these days of "diversions" to know that the streets approaching the House of Commons shall be kept clear of all obstructions. Then there was the glorious moment when the Clerk announced the Outlawry Bill which was received with its usual appreciative laughter. Symbols, yes, tradition, yes, outdated forms, perhaps, but last week it all seemed specially precious and permanent in a world that is in convulsion.

• • •

Norwegian Crown Prince

I seem to have spent an unconscionable time listening to speeches, but one that gave me special pleasure was from Crown Prince Olaf of Norway, who was the guest of honor at an Overseas Club luncheon. Prince Olaf is not yet forty years of age, and is possessed of a strong frame and a high forehead which speaks of imagination and sensitiveness. Dressed in the uniform of the Norwegian Army, he spoke without notes and in highly creditable English. His voice is not heavy, but his love of country and his passion for human liberty gave their own emphasis to his words.

He has had a vigorous, out-of-doors, democratic existence, which has given him strength of body as well as spirit to endure these days of his country's tragedy. As befits one of a race of Vikings he has given his heart to the sea, and when a youth he pleaded to be allowed to join the British Navy. As a yachtsman he won many prizes, and must be the only member of a Royal House to win distinction at the Olympic Games. When he was 21 he went into residence at Balliol, which probably accounts for his excellent English. Eleven years ago he married Princess Martha, one of the three lovely sisters of the Royal House of Denmark.

A king without a throne, a general without an army, a statesman in exile—in London there are all these and more. It is the least we can do to show them an even warmer welcome than if they had come with all the pomp and circumstance of normal times.

• • •

New Fighter Chief

The R.A.F. continues to force its best talent to the top. Certainly the new chief of the Fighter Command, Air Marshal William Sholto Douglas, is the type of man who will not only inspire confidence among the goodly company of Spitfire and Hurricane pilots but will fire their youthful imagination. When the last war broke out he was a cadet-gunner in the Oxford University O.T.C. Battery, and was granted a commission in the R.F.C. After a short period as an observer and gunner, he came back to England to get his wings. By July, 1915, he was in France again, and soon established a reputation for sagacity, thoroughness, and courage, three qualities that do not often find themselves in the same breast. After winning the M.C. he returned home again and formed a squadron which he took out in the days when the enemy machines were better than ours, and the parachute was frowned upon as a faddist's eccentricity.

Under his leadership the squadron destroyed 201 enemy aircraft and shot down 149 out of control—winning the D.F.C. for the young leader. His career with the squadron ended in a landing contretemps with a cow—from which Sholto Douglas emerged with concussion and the cow was killed.

He is 47 years of age now, but his keen, calm eyes and firm mouth are just the same as when he challenged the fates a quarter of a century ago.

• • •

Turkish Bulwark

There is something both splendid and heartening about the unequivocal declaration by her President that Turkey is Britain's loyal ally. Ismet Inonu was the only possible successor to Ataturk, but no two men could have been less alike. Kemal Pasha was a genius and a voluptuary. He constantly called for "wilder music and stronger wine," and demanded that his associates should share his violent moods. Yet all the time he led his country with skill, with daring and with vision.

There was one man, however, who refused to indulge in his leader's excesses and even dared to pit his judgment against that of his master. That was Ismet Inonu, the vigorous but austere statesman who succeeded Ataturk as President of Turkey. He is a man of short stature with a crest of silvery hair and a strong hooked nose. He has had trouble with his hearing, but his brilliant brown eyes listen for him. To aid him he has learned to lip read, not only his own language but French—and now he is mastering English.

With indomitable courage he has risen above his affliction until he stands out from all his contemporaries. He is a magnificent horseman (one thing he had in common with Ataturk) and every morning he gallops across the Anatolian Plains, where in winter the wolves come down from the mountains to raid the village sheep. He loves to play bridge but is not above a psychic bid and is prone to overvalue his hand.

His friends say of him that he is vital, ruthless and possessed of a will of iron. He is determined that Turkey will threaten the independence of no other state and that no one shall threaten the integrity of Turkey.

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Study Ways to Dovetail War Supply Plans

By STAFF WRITER

OTTAWA.—A plan is under consideration for the Joint Permanent Defense Committee, headed by Colonel Biggar for Canada and Mayor La Guardia for United States, to extend its work into the field of industrial supply.

When the Board was first set up, Prime Minister King intimated that consideration would be given later to extending its function into the field of "supply."

This is considered to be one of the most important functions of the Board, but nothing has been done as yet to move in this direction.

Canada continues to be handicapped by the fact that there is no standardization in armaments and supply as between England, United States and the Dominion. Also little real headway has been made toward what Sir Walter Layton terms "rationalization." That is, effective co-ordination and use of each country's resources of machine tools, raw materials, labor, plant facilities, etc.

Parallel Committee

The proposal now being considered here is that instead of merely adding one or two persons from each country to the present Board—persons qualified to discuss the industrial capacity of each nation—that a parallel board be set up. This would be composed largely of competent industrialists or those actively engaged in the procurement programme of each nation.

Canada can no longer depend on United Kingdom in the matter of military "standards." There is no use our setting up our own standards. Inevitably, it is thought that this country must develop common standards with the United States.

Starting Point

This is considered a basic starting point in defense discussions although one that has so far been almost ignored. Some specific attempts are being made to work out joint items of supply as for example the Anglo-U.S.-Canada tank programme.

Even this development has run into extremely heavy weather.

One difficulty here has been that of armament. The British have not been satisfied with the type of armament which the Americans wish to use. Canada has been more or less caught between two millstones. The result is that extensive plans to develop a vast programme for the manufacture of the U.S. cruiser type of tanks in this country has momentarily run into considerable difficulty.

Reputedly, Prime Minister King is not so interested in this industrial phase of the programme as he is in the constitutional and broader aspect of the problem.

The Post-Bag

December 9th

On Aug. 24 we published here a number of forecasts made by our favorite soothsayer. We offered the prophecies without approval or prejudice. The first one was that the totalitarian states would reach the peak or climax of their power on Dec. 9.

That was the day Britain took the offensive against Mussolini in Egypt.

Next big date on the list we published is Feb. 25. We'll report what happens then.

• • •

Job-hunters

The other day a want ad. appeared in two Toronto papers. It called for men from 17 to 40 to take a 10-weeks course of instruction in fine instrument work. Successful trainees were ensured employment at current rates of pay.

The advertisement was authorized by Research Enterprises, Ltd.

To this 1,970 young men replied—1,970 men who want a chance to train for work.

Actually only 25 men could be selected.

• • •

Plane Output

German plane production, reaching a new peak last month, is being maintained at twice that of Britain's, according to Wythe Williams, WOR radio news commentator. But such factors as losses in battle and the greater durability of Britain's planes decreases Germany's actual superiority to a 3-2 ratio.

Mr. Williams asserts that Germany built 4,800 planes of all types in November. Most emphasis was put on the combination combat-light bomber type, of which 1,400 were built. It is this type, Mr. Williams said, that has proved most efficient for striking through Britain's defenses.

Britain built 1,900 planes during the same period, the commentator said. She received an additional 285 from the U.S.A. and 70 from Canada—a total of 2,300. The British stress the long-range Blenheim bomber for offense.

So reports Mr. Williams. Obviously, as P.M., New York, points out, neither Hitler nor Churchill make public their monthly production sheets.

• • •

No Stab in the Back

Have you any lingering doubts in your mind that Germany lost the Great War by being crushingly defeated in a military sense? If so, read the little Oxford Pamphlet on the subject by Cyril Falls and John W. Wheeler-Bennett. They marshall unassailable evidence to combat the Nazi propaganda that Germany was stabbed in the back and that her armies were never defeated.

Author of the myth was Hindenburg, who no doubt had good reasons for finding a scapegoat for his own failures. But the myth grew, it was fed to a psychopathic nation by ambitious rascals, and Germany was led down the path to another war in which she will once again be soundly trounced.

"Was Germany Defeated in 1918?" is worth reading.

• • •

A Year Ahead

This week we received the attractive calendar which the Hudson's Bay Co. has published for 1941. As usual the company illustrated a scene from its long and colorful history—"McLoughlin Welcomes the Americans at Fort Vancouver 1834." There is one unique feature about these calendars, namely, that they are published a year ahead; the company is now working on its calendar for 1942. This is necessary in order that the calendars may be distributed in the Far North by means of the S.S. Nascopic which makes one trip north each year. The 1942 calendar goes forward next spring..

• • •

War Costs

One of our editors, recently in Washington, picked up these figures from Navy Department officials:

A destroyer cost $1.5 million in the last war.

Today it costs $6 millions.

A battleship today costs anything up to $90 millions.

Betterment Shown In Nfld. Finances

Increase in revenue and decreased expenditure is reported by the Newfoundland Commission of Government for November. Revenue was up $179,857 over the same month last year to $1.4 million and expenditure was pared $101,447 to $1.1 million.

Attempt to bring the Island's budget into balance during the current year is part of the policy to lift as much of the financial burden possible from the British Exchequer.

In the five months period to Nov. 30, revenue of $5.7 millions is reported, an increase of $699,919 over the same period last year. Expenditure for the five months was down $690,218 to $5.1 millions.

Christmas Wrapped

Simon's Havana Cigars

La Florena All Havana Cuban Style

Pandora CIGARS

Corona

10's — 25's and 50's

To Britain and the cause of decent men and women everywhere, Canada pledges her loyalty . . . her manpower . . . her industry . . . her wealth.

Valiant sons of Canada . . . 55,000 of them . . . already man the ramparts of Britain's embattled Isle, stand guard in Iceland, Newfoundland and the Caribbean. Three squadrons of Canadian fighters even now are clawing Goering's raiders out of the sky. Thousands more are feverishly training . . . 14,000 men sail in Canadian fighting ships, on convoy, on patrol, in active battle line . . .

And you? Yours is the responsibility of providing the money . . . the "silver bullets" so vital in this war.

Canada expects you to **save**. Start saving now. Build up your bank account. It is your duty . . . your opportunity to help in this fight for the future of mankind.

(Figures available as at November 25, 1940)

Save for Victory

THE ROYAL BANK OF CANADA

Golf this winter in Nassau's perfect climate that averages 71° all season. The course of the Bahamas Country Club is the scene of championship tournaments.

MAYFAIR SKY CRUISES TO NASSAU

This Winter Refresh Yourself in an Empire Setting

Designed primarily for the busy Canadian executive, these chartered 10-day cruise trips will leave Montreal on Friday and bring you back a week Sunday — refreshed in mind and body better to do the strenuous job ahead.

Plan now to use your Empire travel dollar for relaxation or for personal business contacts in Nassau following the recent visit of our Minister of Trade and Commerce.

First of these sky cruises will leave Montreal on Friday, January 17, at 12 o'clock noon. Time of departure provides for overnight rail and plane connections from both West and East.

Here is your opportunity for a change and rest this winter for eight stimulating Bahamian days.

And these "travel-in-the-Empire" sky cruises are All-Canadian — payable in Canadian currency.

Only ten cruise parties are planned. Book immediately to assure accommodation.

Easy to get there

- Direct All-Canadian air travel to the Bahamas this winter.
- Eleven hours flying time from Montreal to Nassau in new, luxurious 21-passenger Douglas airliners operated by Canadian Colonial Airways.
- No foreign exchange problems en route or in Nassau.
- The Canadian Foreign Exchange Control Board is prepared to provide any reasonable amount of Canadian funds or sterling to meet incidental expenses while in Nassau.

10 DAYS • $395. CANADIAN FUNDS

Including

- Round trip transportation between Montreal and Nassau.
- Room with bath and meals for 8 days at the famous British Colonial Hotel.
- Expenses en route.
- Transfers to and from airports.

ITINERARY

1st day (Friday)—Leave St. Hubert Airport (Montreal), 12 o'clock noon. Pass U.S. Customs at New York airport. Dinner served aloft after leaving Charleston, S.C. Arrive Jacksonville, Fla., at 8 p.m. for overnight stop. Room and breakfast provided at Mayflower Hotel.

2nd day (Saturday)—Leave Jacksonville at 9 a.m. over the Everglades to Miami (11 a.m.) Arrive Nassau, 12 o'clock noon.

2nd day to 10th day—Eight glorious days in sunny Nassau at the British Colonial Hotel . . . golfing . . . tennis . . . bicycling . . . swimming . . . riding . . . sailing . . . fishing . . . dancing . . . social life.

10th day (Sunday)—Leave Nassau, 9 a.m. Brief rest stops at Jacksonville, Charleston and New York. Arrive Montreal 8 p.m. same day.

Set in a romantic garden bordered by stately palms, the famous British Colonial Hotel will be your home in Nassau.

For Reservations or Other Information Apply to YOUR LOCAL TRAVEL AGENT or to THOS. COOK & SON LIMITED, General Agents, Montreal, Toronto, Vancouver.

INTERNATIONAL makes the Trucks.. Truck Owners make the REPUTATION

The **reputation** enjoyed by International Trucks has been building steadfastly since the first high-wheeler took to the rough roads of 1907—33 years ago.

Today, **International** is the **greatest name in trucks** because Harvester has kept faith with the men who use trucks.

All International Trucks are **all-truck** trucks from the ground up — backed always by the world's greatest Company-owned truck service organization!

Year after year truckmen buy **more heavy-duty Internationals than any other make.** They know that Internationals **give them outstanding performance . . . unbeatable economy.**

For **all-around truck values**, join the big family of International owners. The International Dealer or Company-owned Branch will be glad to demonstrate the type and size best suited for your business.

Here's a brand-new International Cab-Over-Engine Truck—the *in-between capacity* Model D-400, gross weight rating of 16,200 lbs.

International Harvester Company of Canada, Ltd.

HAMILTON ONTARIO

Truck Factory Located at Chatham, Ontario

INTERNATIONAL TRUCKS

Investment Trends

Stalemate In Markets Shows No Sign of End

Next Seasonal Influence Traditional January Rise — Prospect For U. S. Credits to Britain Seen Sustaining Markets

Stock markets in Canada have been so dull that for over two weeks prior to Dec. 18 the range of fluctuation on both the Montreal and Toronto Stock Exchanges, as measured by the industrial indices, has been approximately one point. For three weeks in New York the Dow-Jones industrial share average has kept within a range of approximately two points.

Most observers are extremely cautious as to predicting when the trend is likely to change. The time hardly seems propitious for too much optimism regarding chances for much higher prices. We are approaching the period of the traditional "January rise" which, incidentally, usually gets under way around Christmas and extends into January. We may again see such a move this year but investors would be warranted in looking at it with caution.

* * *

Elevator Companies

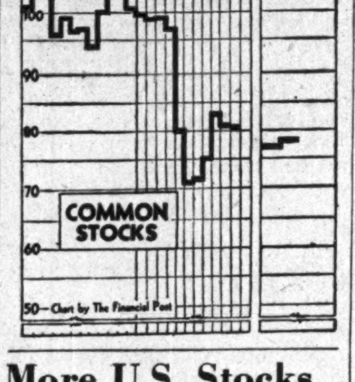
Earnings prospects for Canada's grain elevator companies for the current year may be subject to a certain amount of misunderstanding. Those close in touch with the actual situation counsel against too optimistic forecasts.

There are several factors applying to this situation. In the first place, grain storage rates have been reduced by one third, beginning with the current crop year which commenced last August. So far as storage alone is concerned, this may be offset by the assurance of capacity utilization of available elevator space to handle the overflow crops now in the bins.

But storage charges are only one source of revenue for these companies. Handling charges are also important. Because Canada's 1940 wheat crop is not likely to move to market very fast, handling charges are expected to be substantially less than would normally have been expected.

Then there is the question of taxation. Even if the elevator companies are able to obtain some special consideration as a depressed industry, perhaps following application to the government, they will still be subject to higher taxation than prevailed in recent years.

Altogether, it might not be wise to count on too much of an improvement in earnings position this year, while it is universally admitted that the longer-term outlook for Canada's wheat is far from rosy.



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Credits For Britain

Looking over United States newspapers these days, one cannot help but notice the publicity being given to prospects for further United States aid to Great Britain. Here is a sample from the New York Journal of Commerce:

"Extension of credit to Great Britain undoubtedly would promptly stimulate a large volume of direct expansion here for British armament manufacture. This would provide further considerable impetus to armament production.

"British war orders with American industries now approximate $2,500 millions. Inasmuch as production of aircraft and ships, Britain's most vital needs, can be stepped up materially only by increasing the capacity, such expansion is quite likely if credits become available.

"Granting of credits to Britain would revolutionize the entire defense effort by assuring continuance of large-scale British orders rivalling our own defense expenditures. This prospect would lead to more intensive training of skilled men, intensify the demand for longer work weeks, and step up the tempo of armament production generally."

* * *

Stock Market Attitude

Stock market circles have not been slow to look at the implications of either the granting of credits by the United States to Great Britain or the refusal to do so. They apparently look on it somewhat in this way: The American rearmament programme now involves total expenditures of about $12,000 millions, far larger than any British orders actually given or in prospect. But producing for the United States rearmament effort is like making goods for inventory. Once the definite quota is reached, production tapers off rapidly. On the other hand, production for Britain is like making articles for a continuous consumer.

Thus, while British purchases of goods now on order may only be about 10% of the total amount involved in the United States own programme, there is not the feeling that once present orders are completed there will be an end to business that exists in that country.

It seems quite likely that some definite move to extend credit to Britain, no matter what the form of it, would be a stimulant to stock market interest and activity.

Hiram Walker Month's Sales Set Record

Sales of Hiram Walker-Gooderham & Worts in November were the largest of any single month in the company's history, Howard R. Walton, vice-president, told shareholders at the recent annual meeting. This showing pretty well offset the reaction in September and October from stocking of wholesalers and retailers in advance of tax increases in the United States, making total volume for the past quarter satisfactory.

Outlook for continued good sales volume of 1941 is excellent, he said, although higher taxes in Canada and the United States will cut into profits.

Municipalities Cut Debt 5% In Ontario

Gross Figure Lowest Since 1923 — Tax Arrears Cut in 1939

The position of Ontario municipalities continued to improve in 1939, according to the annual municipal survey report which will shortly be issued by the Department of Municipal affairs.

Gross debenture debt of $388.2 millions at the end of 1939 for all the municipalities included was down 4%, $16.1 millions, from the previous year. Figure at Dec. 31, last, was the lowest since 1923 when total amounted to $376.5 millions. Debenture debt increased each year from 1925 to 1932, when a peak of $504.8 millions was reached, but it has declined in each of the seven years ending with 1939.

Net debenture debt of $324.9 millions at Dec. 31, last, is off over 5% from a year previous.

Tax Arrears Cut

Tax arrears were cut 9% in 1939. Arrears totalled $58.2 millions, or $17.77 per capita, at the end of 1934, while they had declined to $35.5 millions, or $10.30 per capita, by the end of 1939. The 1938 figures were $38.7 millions and $11.41, respectively.

Biggest improvement in reduction of net debenture debts was shown by the counties, which report a 14% decline in 1939. Net debt of counties has been cut from $16.9 millions in 1933 to $8.4 millions at the end of last year. Townships cut net debts by 13% in 1939, cities by 8% and towns and villages by 2%.

Cities led in the reduction of tax arrears, showing a cut of 12% to $16.3 millions during 1939. Townships were next, with a drop of 6% to $12.6 millions, with towns and villages third with a cut of 1% to $6.5 millions.

A summary of statistics follows:

Statistical Summary
940 Ontario Municipalities

All Municipalities:		1939	1938
Total debt▲	$000	388,202	404,291
Less: Sinking funds▲		63,323	61,670
Net debt▲		324,879	342,621
Per capita▲	$	94.36	100.94
Population	000	3,443	3,394
Assessed value	$000,000	2,968	2,933
Per capita	$	862	864
Total tax collect.	$000	117,271	118,930
Per capita	$	34.06	35.04
% of curr. levy		102.6	102.2
Tax arrears	$000	35,459	38,728
Per capita	$	10.30	11.41
▲Including total debts of counties.			
Cities:			
Total debt	$000	287,593	306,429
Less: Sinking funds		59,719	57,851
Net debt		227,874	248,578
Per capita	$	144.23	158.04
Assessed value	$000,000	1,777	1,770
Per capita	$	11.25	11.25
Total tax collect.	$000	73,269	75,159
Per capita	$	46.37	47.78
% of curr. levy		103.1	102.8
Tax arrears	$000	16,339	18,695
Per capita	$	10.34	11.89
Towns and Villages:			
Total debt	$000	50,269	51,161
Less: Sinking funds		1,657	1,727
Net debt		48,612	49,434
Per capita	$	76.33	78.85
Assessed value	$000	361,987	358,389
Per capita	$	568	572
Total tax collect.	$000	17,402	17,776
Per capita	$	27.32	28.36
% of curr. levy		100.1	100.9
Tax arrears	$000	6,516	6,607
Per capita	$	10.23	10.54
Townships:			
Total debt	$000	40,361	35,152
Less: Sinking funds		416	399
Net debt		39,945	34,753
Per capita		32.57	29.10
Assessed value	$000	829,325	805,016
Per capita	$	676	674
Total tax collect.	$000	26,600	25,995
Per capita	$	21.69	21.76
% of curr. levy		102.9	101.2
Tax arrears	$000	12,604	13,426
Per capita	$	10.28	11.24
Counties:			
Total debt	$000	9,979	11,549
Less: Sinking funds		1,531	1,693
Net debt		8,448	9,856
Per capita	$	5.43	6.36

More U.S. Stocks Taken by U.K.

Latest List Includes Some of Most Popular American Stocks

The British Government has issued "vesting orders" covering an additional 59 United States stocks and 7 bonds. These stocks were formerly held by investors in the United Kingdom and are now being taken over by the treasury for sale in the United States to realize U. S. dollars.

This time, the list includes certain stocks which have been very popular with British investors. It includes General Motors, U. S. Steel common and Pennsylvania Railroad and many other stocks of leading American corporations. From this it is rather expected that the latest vesting order involves quite a substantial amount, although no details are announced.

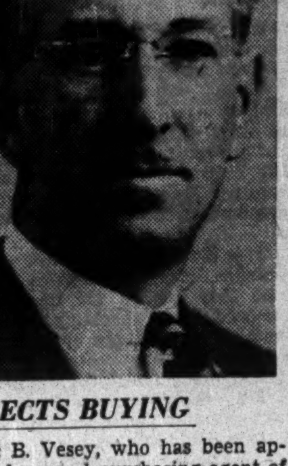
Former British holders are being urged to invest at least a part of the proceeds in British Government loans.

In Britain also there has been some lifting of restrictions on trading in foreign securities. Residents of the United Kingdom are again permitted to buy and sell foreign securities held by U. K. investors. The specific list includes some Canadian, such as Brazilian Traction, C. P. R. common, International Nickel and others.

STANDARD LIME BONDS

Standard Lime Co., a subsidiary of Gypsum, Lime & Alabastine, Canada, is redeeming $13,000 of its 6% first mortgage bonds for sinking fund on Feb. 1, 1941. Payment will be made at 102 and accrued interest in Canadian funds.

There were $456,000 of these bonds outstanding at Nov. 30, 1939.



DIRECTS BUYING

Eric B. Vesey, who has been appointed general purchasing agent of General Motors of Canada Ltd., in succession to the late R. J. MacFarlane. Born in England, he received his early education in English and Canadian schools in Japan and studied business subjects at the University of Toronto. He joined the service of General Motors in New York in 1927 but shortly after came to Canada. For several years he was on the staff of McKinnon Industries, St. Catharines, General Motors subsidiary, but returned to G. M. headquarters in Oshawa early in 1939 as assistant purchasing agent.

To Grant Permit For Power Plant

Banff Park Project For War Plant Now Assured by Ottawa

From Our Own Correspondent

OTTAWA.—The Government has agreed to the development by the Calgary Power Company of power in Banff National Park, thus assuring operation of the war chemicals plant in southern Alberta. This plant is an important item in the war industry expansion programme.

For the time being the company has been notified of the decision and work has already begun. Under the National Parks Act a statute is required before any part of a park can be alienated for commercial purposes. Therefore an order-in-council would not be satisfactory to the Calgary Power Company. Such an order, based upon the War Measures Act, would override the National Parks Act, but only for the period of the war.

The Government has undertaken to introduce a bill when Parliament resumes in February. Another possible complication is that under the Alberta Resources Transfer Act of 1930, all commercial development of this kind is subject to provincial control. Concurrent legislation by the province may be necessary, but there is no doubt that this will be forthcoming.

Market Opinions

As has been the case in recent weeks, stock market students have been lacking in material from which to forecast coming trends. Perhaps some growing bearishness may be apparent.

Magazine of Wall Street, N.Y.—We do not think the year-end rise will be broad enough to invite action by the followers of this article because, in our opinion, it will need the aid of some exceptionally favorable break in the news to better the November high of 138.

But in the event of further reaction this month we would not hesitate to bet on the odds cited heretofore in expectation of at least a worth-while trading rally.

In longer term investment for appreciation, caution—in the form of conservative liquidity and careful discrimination as to the character of issues retained — continues to be our watchword.

The Financial World, N.Y.—Even if a January rise should show signs of assuming somewhat broader proportions than usual, no signal would thereby be given for abandonment of conservative investment policies. Holdings should be confined largely to good dividend paying common stocks backed by expanding earnings (after taxes), with a sizeable backlog of medium grade preferreds and bonds. In a wartime economy, speculative issues should occupy only a small place (if any) in one's total holdings.

Brookmire Counselor, N.Y.—Just as improved reports regarding British military operations helped to bring a measure of firmness, so it must be remembered that any adverse news in the future would probably find reflection in the market. Though further irregularity or reactionary tendencies may intervene, the favorable long-term outlook warrants retention of well-balanced stock portfolios.

Barron's N.Y. (The Trader)—Stimulus of business activity upon the stock market has probably reached at least a temporary peak. For further improvement in stock prices other influences than business activity or earning power, which in wartime are always capitalized at low figures must come into play. Whether new factors are on the horizon probably will not be clear until the Presidential message goes to Congress early in January. Nevertheless, in view of negligible liquidating pressure, the chances are still better than even the most marked seasonal phenomena, the January rise, will materialize to some degree.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg., mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
1929-39:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1940:												
Monthly Figures:												
Jan.	134.3	24.5	98.8	155.8	86.4	183.0	135.4	150.7	61.3	84.5	45.7	99.7
Feb.	129.3	23.4	98.4	158.2	90.7	184.3	134.0	146.8	60.3	84.3	45.3	99.0
Mar.	134.1	22.9	96.5	155.4	91.4	185.7	135.4	146.5	61.1	85.1	47.1	99.1
Apr.	132.5	24.6	95.9	147.6	91.6	184.7	137.9	146.4	61.9	83.8	47.1	97.0
May	102.6	16.3	77.6	124.7	80.5	165.0	117.9	115.8	52.0	79.7	39.4	80.4
June	93.2	13.1	62.9	100.2	70.3	144.1	106.9	103.3	47.0	74.7	35.8	71.9
July	92.0	13.9	67.1	101.3	74.5	145.8	114.2	102.3	47.1	70.0	35.5	72.5
Aug.	98.5	15.3	68.4	104.4	76.9	150.1	120.3	107.8	48.6	72.1	37.1	76.0
Sept.	107.0	16.5	81.0	120.9	81.9	163.1	124.9	121.0	51.3	76.0	39.3	83.2
Oct.	105.1	16.1	79.3	112.0	81.5	162.9	124.8	123.6	51.1	75.2	38.8	81.4
Nov.	107.6	16.6	69.1	108.6	82.0	161.7	132.7	126.9	50.6	75.9	39.4	81.7
Weekly Figures:												
Dec. 5	101.9	15.4	66.6	99.6	79.9	159.5	129.4	122.3	49.7	76.3	38.4	77.7
Dec. 12	100.2	15.5	63.8	97.1	78.7	160.6	133.2	122.1	49.9	76.8	38.4	77.2

*High and low for year from 1929 to 1939 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Dec. 17	100.74	109.07	67.89	21.47
Dec. 16	101.17	109.04	68.11	21.42
Dec. 14	101.64	108.78	68.99	21.49
Dec. 13	101.73	108.53	69.16	21.38
Dec. 12	101.48	108.00	68.65	21.29
Dec. 11	101.55	107.57	67.94	21.39
Month ago	105.26	110.01	71.88	23.68
Year ago	125.19	117.53	86.11	31.14
High 1940	128.84	123.80	88.97	33.31
Low 1940	86.00	77.34	56.81	18.44

Montreal Stock Exchange Average

	10 Util.	20 Ind.	30 Cbd.	10 Pprs.	15 Golds
Dec. 17	54.9	66.8	62.9	82.44	79.89
Dec. 16	54.7	67.0	62.9	82.83	79.43
Dec. 14	54.5	67.2	62.9	83.53	79.91
Dec. 13	54.8	67.2	63.1	83.32	80.28
Dec. 12	54.4	67.0	62.8	84.73	79.38
Dec. 11	54.8	66.5	62.6	84.39	79.00
Month ago	56.1	70.9	65.9	89.57	79.77
Year ago	68.0	90.5	83.0	146.17	94.89
High 1940	69.2	92.2	84.4	152.63	100.81
Low 1940	50.7	56.0	54.7	66.44	55.10

War Savings Certificates

Ten Thousand Firms Now Are Co-operating

Ten thousand commercial and industrial firms across Canada have agreed to facilitate purchase of war savings certificates through payroll deductions. This has been a major factor in the sale to date of some $30 millions of certificates to about 1 million subscribers. And this patriotic thrift of Canadian workers has been an important contribution to war financing.

But a still greater volume of war savings is urgently required. To that end, Hon. J. L. Ilsley, Minister of Finance, has instituted a nation-wide effort to increase the number of regular subscribers of war savings certificates to two million. With this objective reached, it is believed that the aggregate annual subscriptions will reach the impressive figure of $100 millions, or nearly $2 millions a week.

The campaign has been prefaced by an extensive advertising campaign calling upon employers to assist their employees to become regular subscribers.

If $100 millions is to be raised through the war savings committee's campaign, then every firm must back the plan wholeheartedly and every employee must be sold on the seriousness of his personal obligation to back the war effort.

* * *

Honor Roll Awards

One scheme adopted by the committee to stimulate interest and recognize achievement is the honor roll. This is an engraved certificate, signed by the joint chairmen, W. H. Somerville and de Gaspe Beaubien. Copies are presented to those organizations which have 75% or more of their employees enrolled as regular subscribers for war savings certificates.

For each quarter of the year a seal is affixed to the certificate denoting the degree to which the company and its employees co-operated. If 75% to 89% of workers participate, a bronze seal is attached; from 90% to 99%, a silver seal; and if all employee subscribe, a gold seal is given.

* * *

Companies Speed Sales

The response to the wider campaign has been noteworthy. Many companies have gone out of their way to encourage employees to subscribe for certificates. For instance, Canadian Industries Ltd., which has had in force for several years a regular savings plan for its employees, has secured approval of contributors to place the income of this fund in war saving certificates.

A number of companies which customarily pay Christmas or New Year bonuses have adopted the plan of paying with war savings certificates instead of cash.

Employees of the Robert Mitchell Co., of Montreal, went a step farther recently when they forwarded to the Minister of Finance 9,083 war savings stamps to the value of $2,270.75 for cancellation. More than 1,100 men and women made this voluntary contribution to the national war effort.

* * *

Bell Telephone Drive

Management must not only give leadership but inspiration in the new campaign to secure 2 million subscribers. The Bell Telephone Co. of Canada has set a good example of what can be accomplished. Over 44% of all its employees are regular purchasers of war savings certificates.

In addition the company sells stamps in its numerous offices. When subscribers pay their telephone bills, the suggestion is made they take their change in war savings stamps. At present over-the-counter sales are running close to $10,000 a month.

Then again those employees who canvass for the sale of telephones and also collect coins from public pay-stations, carry stamps with them which they sell whenever the opportunity arises. At present these canvassers are selling between $2,000 and $3,000 worth of stamps each month.

The company also is doing its share by clearing all advertisements from the back pages of directories and devoting the space free of charge to promoting the sale of war savings certificates. Normally the back covers of directories provide the company with an annual revenue running into many thousands of dollars.

* * *

"Many a Mickle"

Because of the small denominations offered by the war savings committee—25-cent stamps and certificates with a face value of $5—some companies may be inclined to minimize the importance of the individual subscription. That is the wrong approach, it is felt. It is only on a collective basis that the importance of the small contribution is appreciated.

For example, one firm near Toronto reports sales on a yearly basis of $46,000. Another firm in eastern Canada reports sales of $115,000 to date. In western Canada a firm with 400 employees reports all but six are regular contributors and of the six five have only recently joined the firm. A company in Ontario reports sales of $5,000 a month, and so on down the list.

Regular contributions, no matter how small, will make possible the objective of $100 millions set by the Minister of Finance.

* * *

"Chatham Plan" Extended

Ranking equally in importance with the joint efforts of employers and workers is the contribution of regional and local war savings committees and the degree to which they can rally their communities behind the war savings drive. An outstanding example of what can be accomplished in this field and one that has attracted widespread attention as setting a possible pattern for camplished in this field, and one that has spectacular drive in Chatham, Ont.

As with the British smash against the Italians in Egypt, the blitzkrieg of ballyhoo to conquer Chatham for war savings has been extended. A "mopping up" campaign, to consolidate and widen the major gains accomplished in the main drive, is being continued to end of this week.

The generals of the mass appeal onslaught sought to make the most of the still rising momentum attained, when the spectacular "Chatham Plan" reached its originally-slated conclusion the end of last week. The committee decided to strike again while the iron was still hot, so to speak, and thus carry the first stage of the campaign to the highest possible level. Broadly speaking, it is emphasized, the campaign is to be continued for the duration of the war, seeking to maintain and extend the large volume of subscriptions captured for war savings certificates.

The mopping up campaign is featuring an intensive direct canvass to increase sales and continuing subscriptions, together with such features of the "blitz" itself as window displays, "air raid shelter" booths for sale, and blasts of radio and newspaper appeals. Absent from the second week's schedule are the more spectacular highlights of the main drive such as parades, bands, mass meetings, "bombing raids," blackouts, screaming sirens and factory whistles, clanging church bells, etc.

* * *

Primary Objective

Immediate objective of the "Chatham Plan" carnival of propaganda was to make every person in Chatham and immediate vicinity fully conscious of his direct concern with the war effort, and of the important contribution war savings can make. Having accomplished this, it was found, it required little further effort to enroll men, women and children as buyers and regular supporters of war savings certificates.

The campaign is regarded by the sponsoring committee as highly successful. Before the drive, subscriptions had dropped to a mere trickle, but are now rising to "flood proportions," it is said.

The initial week's campaign produced about 15,500 individual sales, closely approximating the population of Chatham proper. It is believed the actual number of new buyers and subscribers was considerably higher, as many purchases were blocks of stamps or certificates to be divided among members of supporting groups.

Cash receipts from sales of stamps and certificates amounted to approximately $33,570, and the objective is to raise this to $50,000 by the end of this week. The cumulative value of continued subscriptions from this "initial deposit" will of course be vastly greater.

The committee is gratified, not only by the enthusiasm and support generated for war saving certificates, but by the widespread interest aroused in the "Chatham Plan" method across Canada. Enquiries have reached Chatham from war savings committees in many other centres, indicating tentative plans to try similar operations elsewhere, and widespread attention has been focused on war saving throughout the country. Full details of how the Chatham Plan was organized and put into effect have been turned over to the national war savings committee.

Big Tank Order Is Awarded

From Our Own Correspondent

OTTAWA. — Orders issued by the Munitions and Supply Department for the two weeks ended Nov. 29 totalled $113,144,644 — a new record. In the first of these weeks the total was $35,611,223 and in the second $77,533,421.

Chief item in the total is $70 millions ascribed tersely to the Ordnance Branch of the National Defense Department. The understanding is that a very large order for tanks is involved.

Nat. Grocers Volume Up

Net Result Not Determined Due to Tax Uncertainties

Increased volume of business is reported to The Financial Post officially by National Grocers Co. for the first 8½ months of the current fiscal year, ending March 31, 1941, compared with the same period of 1939. Due to confusion about taxes, however, it is not possible yet to determine the net result. Net profit of $599,493 in year ended March 31, 1940, was substantially higher than in any previous year.

Business in September of this year was below that of 1939, due to the abnormally high purchases stimulated last year following the outbreak of war. Sales dropped off, then, in October and November, and volume in the same months of 1940 has been running higher.

Base Tax Figure $583,679

Regarding taxes, The Post finds that 84½% of all the company's earnings above $583,679 (after all charges but taxes) would go to taxes, according to present rulings. This total represents the base figure for the company's four fiscal years ending in 1939. Earnings totalled $810,426, before taxes, in the 1939-40 fiscal year, so will be subject to substantially higher taxes during the current 12 months.

There are other factors, also, tending to offset the heavier volume of business, The Post is told. Operating costs in general—including labor and materials—continue to increase. Furthermore, a substantial quantity of goods is imported from Great Britain and the United States; and, in the case of Britain, shipments are delayed. Many of the purchases formerly made in the U. S. are now on the embargo list recently issued by Ottawa and new sources of supply must be established.

Dividend Policy Unchanged

There has been no change in the feeling of directors toward the policy of delaying the initial payment of a dividend on the common stock. Last summer it was decided that the uncertainty of new taxes and general wartime conditions made it advisable to wait.

On Oct. 1, $100,000 4% serial bonds matured. The retirement of these reduced the amount outstanding to $700,000.

Beatty Bros. Sales Continue Gains

Canadian Business Up Last Year But Exports Hit By War Conditions

Volume of sales for Beatty Bros. has shown a "satisfactory" increase since the beginning of the current year in September, W. G. Beatty, president, reports. Outlook for the new year, he says, appears favorable in spite of new war measures and taxes.

This follows a year in which the company has reported net profit about double that of the preceding period. Details of the financial statement will be found elsewhere in The Financial Post.

In the year ended Aug. 31, 1940, Canadian sales showed a substantial improvement, Mr. Beatty reports. War and exchange control conditions in Great Britain, New Zealand and Australia curtailed export sales. Higher income and excess profits taxes reduced net profits.

During the past year, M. J. Beatty, vice-president and general sales manager, died. W. L. Ham, vice-president, has been appointed secretary as well.

Paramount May Call Preferred

Third 15c Dividend For 1940 Declared on the Common

Paramount Pictures Inc. has declared a dividend of 15 cents a share, payable in United States funds on Dec. 24, 1940, to shareholders of record Dec. 9. This will be the third payment of this amount made in 1940.

Reports indicate that the company plans to call the balance of its outstanding first preferred stock, which amounted to $13.7 millions as of Sept. 28 this year. The stock is redeemable on not less than 16 or more than 90 days notice at $100 and accrued dividends.

Part of the necessary funds would be provided from the company's cash resources and the balance by a long-term bank loan. Cash in the hands of the company's subsidiaries is stated to be in the neighborhood of $21 millions.

Approval for Refunding Sought by Riverside

Riverside, Ont., already has received approval for its refinancing plan from nearly two thirds of its creditors, according to Mayor Young. Two thirds is required before a hearing can be arranged with the Ontario Municipal Board for final approval.

An appeal for sanctioning of the plan has been directed to Sandwich East Township, one of the larger creditors.

Foresee Broad Line Abitibi

(Continued from page 1)

courts are heavier than in Canada in reorganization cases. Another distinction mentioned by Mr. Fraser is that American procedure does not permit a plan to recognize any class of security holders that has been shown to have no interest in the company. "It is the duty of the Court to determine whether or not the company is insolvent, and if the Court determines that the company is insolvent, then no provision can be made for stockholders."

The place of the judicial sale as part of a reorganization plan had "been an unwholesome fiction," according to further material placed in evidence by G. W. Mason, commission counsel. A report by the S.E.C. on this phase said:

"It was equally useless . . . as a means of setting a fair value and price for these assets out of which dissenters would be paid in cash. In practice investors were driven to acquiescence in the plans proposed by dominant committees, yet there was little appreciation of the need for the fullest and most intensive scrutiny of the reorganization plans."

This situation has been remedied, it was pointed out, by recent U.S. legislation. But the commission dwelt at considerable length on the opportunities for similar abuses in Canada.

Then further, it was brought out, U.S. law differs from Canadian in that the former places "positive duties on the trustee in connection with drafting of the plan and properly makes the trustee (in bankruptcy) the focal point of the reorganization proceedings."

Deposit Agreements Scrutinized

Coming to the use of deposit agreements, it was brought out that revised U.S. practice recommends that "the use of deposit agreements should be greatly restricted, and permitted only on a showing of conditions which make their use desirable or necessary in the interests of investors. Their use should be the exception rather than the rule."

Mr. Justice McTague in his own questioning of Mr. Fraser brought out that the "fiction" of the judicial sale had in fact been used in Canada. His Lordship went on to say:

"And then, as in the siuation here with Abitibi, you have a straight foreclosure sale without contemplation of any plan except a plan that would be of benefit to the bondholders exclusively."

Weakness Emphasized

From this he persuaded Mr. Fraser to give his ideas of the weaknesses of the present Companies Creditors Arrangement Act. These were, in Mr. Fraser's opinion:

1. There is no means of determining where the equity stops. Some means should be provided of ascertaining what the property is worth, what it can earn. This should be done by the Court and not left to security holders.

2. There is no provision for dealing with classes of security holders which do not give the requisite 75% majority in support of the scheme.

"We have too often seen," proceeded Mr. Fraser, "that a reorganization under the Companies Creditors Arrangement Act provides for everybody, even though it is recognized that shareholders, . . . have no real interest in the property . . . You have the anomalous situation of bondholders taking something that is worth very much less than par for their bonds, and you still give some pieces of paper to the stockholders."

Mr. Fraser also thought that the plan should first of all be prepared by a court officer who has some duty to all security holders, and that the plan should come under the supervision of the court before it reaches final form.

Hard to Get 75%

Justice McTague brought out the difficulties met under the existing Canadian legislation in getting the required 75% majority support of all classes of security holders. The chairman went on to bring out certain ideas regarding deposit agreements, suggesting that these should be subject to some supervision or control.

He asked Mr. Fraser, for example, if he thought that regardless of the terms of a deposit agreement, security holders should be given the right to a free vote and independent vote. With this Mr. Fraser agreed.

When it came time for Mr. MacKelcan to take the stand, Mr. Mason prefaced his examination by stating that: "You know pretty well from the examination of Mr. Fraser just what is in our minds," suggesting that out of this investigation may develop sweeping recommendations for changes in Canadian practice on company reorganizations.

Appraisal Out

Mr. MacKelcan dwelt at length on the value of what he termed "appraisal-out." Actually this would mean giving the court power to determine what the actual value of the property was and then decide if perhaps certain junior security holders had in fact no equity in the assets. It was brought out that English law has developed cases where appraisals under court auspices have ruled that certain security groups have no interest in specific cases.

An important point brought out was that American law also provides the machinery — assuming that efforts to develop a reorganization plan fail of agreement — whereby senior security holders can take legal recourse to realize on the assets. This prevents obstructionist tactics by equity interests and the developing of "nuisance values."

Tobacco Combine Action Renewed

Defendants in Alberta Proceedings Plead "Previously Acquitted"

From Our Own Correspondent

EDMONTON.—Six of 40 tobacco manufacturers, wholesalers and distributors, charged with conspiracy and restraint of trade under the Combines Investigation Act, have entered formal "not guilty" pleas in Alberta Supreme Court. Thirty-three others entered pleas of "previously acquitted." One defendant was not required to plead, being now out of business in Alberta.

With this part of the action completed, it was indicated the actual trial may start in criminal court in Edmonton on March 17.

Preceding the entry of pleas of the defendants, Mr. Justice Shepherd received a motion to quash the combine charges from Lionel A. Forsyth, K.C., of Montreal, a defense counsel. Mr. Justice Shepherd refused to quash the charges and ruled that pleas be taken by the court.

Earlier Hearings Halted

The formal plea of "previously acquitted" referred to a stay of proceedings entered by the Crown which halted former hearings in Alberta supreme court early in the year.

The "not guilty" pleas were entered by H. Simons and Sons, Ltd., Macdonalds Consolidated Ltd., Benson and Hedges (Canada) Ltd., Rock City Tobacco Co., Wallace and Norman, Ltd., W. C. Macdonald Inc.

Can. Foreign Investment Retires More Preferred

From Our Own Correspondent

MONTREAL.—Canadian Foreign Investment Corp. has redeemed and cancelled a further 198 shares of its 8% cumulative preferred stock, leaving 7,976 shares outstanding as at November 29.

NOTICE OF CALL FOR TENDERS
FOR THE ASSETS IN CANADA OF

FEDERATION NATIONALE DES JOURNAUX FRANCAIS

The Custodian of Enemy Property, by virtue of the authority vested in him under Regulation 15 of the Consolidated Regulations Respecting Trading with the Enemy (1939), has issued an order for the winding-up of the business carried on within Canada by the Fédération Nationale des Journaux Français, and has appointed the undersigned Controllers of the assets in Canada of the above named firm with instructions to call for Tenders for the purchase of the under-noted assets:

"HIGH FINISH REGULAR WHITE NEWSPRINT"

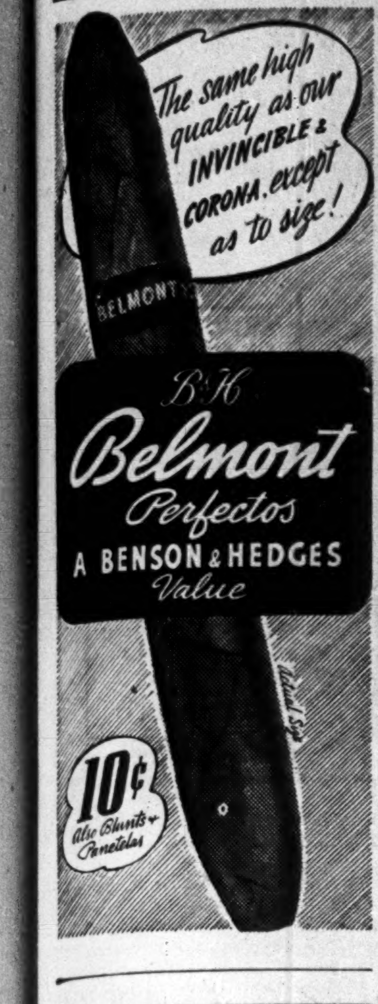
Manufactured by St. Lawrence Paper Mills Ltd., Three-Rivers, Que., quantities as follows:

	Number of Rolls	Measurements	Gross Weight	Net Weight
Parcel A	240	171½ cms	255,191 lbs.	251,591 lbs.
Parcel B	709	86½ cms	385,738 lbs.	377,230 lbs.
	949		640,929 lbs.	628,821 lbs.

Tenders will be received by the undersigned Controllers at their offices up to noon (Daylight Saving Time) on the eighth day of January, 1941, upon the following terms and conditions:

a) Tenders may be made for one of the said parcels or both as a whole.
b) A certified cheque to the order of the Controllers for 10% of the tender price must be enclosed therewith; the balance of the tender price to be paid on acceptance of the tender by the Controllers; subject to the condition that should the tenderer not fulfill the terms of his offer and the conditions of this present Notice calling for Tenders, his tender will be cancelled and the amount deposited by him forfeited to the Controllers as liquidated damages. Cheques in respect of unaccepted tenders will be returned in due course.
c) The newsprint as above described is located at Three-Rivers, Que., in Harbour Shed "C." Arrangements may be made with the Controllers for the inspection of the assets, during office hours any day up to noon (Daylight Saving Time) on the eighth day of January, 1941.
d) Tenders should be made f.a.s. Three-Rivers, Que., which in this present case shall mean as the newsprint stands at present in Harbour Shed "C." Storage and insurance charges will accrue to the Purchaser or Purchasers from the date on which each tender is accepted.
e) The assets are offered for sale without any warranty whatsoever on the part of the Controllers as to weight, size, condition or state of repair of such assets, and the sale thereof shall be made in each case subject to shortages and overages, the shortage to be at the charge of and the overage for the benefit of the successful tenderer.
f) Neither the highest nor any tender will necessarily be accepted.
g) The Purchaser or Purchasers shall pay all transfer dues and taxes, if any, payable to the Crown.
h) The envelopes enclosing offers shall be marked "Tender" and addressed as follows:

SAMSON, KNIGHT & CO.,
Controllers of the Assets in Canada of
FEDERATION NATIONALE DES JOURNAUX FRANCAIS,
71, St. Peter Street, QUEBEC, QUE.



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Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Riordon Pulp	6%	1942	Dec. 31	105
Drilling Cont	5½%	1943	Jan. 15	100
Eastern Car	†6%	1952	Jan. 1	105
Mississippi R. Pwr.	5%	1951	Jan. 1	105
Nan.-Dun. Util.	*5½%	1964	Jan. 2	104
United Steel	6%	1954	Jan. 1	102½
Viau	6½%	1946	Jan. 1	101½
Nat. Pole & Treat.	6%	1941	Dec. 20	‡
Stand. Lime	6%	1944	Feb. 1	102

†Drawn by lot $44,000.
‡By tender $50,185.
*For sinking fund.

Bond Tenders

4 p.m., Dec. 18, Owen Sound — $48,206, 4% debentures as follows: $3,963, 15-ins. due Jan. 2, 1942-56; $10,525, 10-ins., due Jan. 2, 1942-51; $33,718, 5-ins. due Jan. 2, 1942-46. J. A. Milne, treas.

Bond Markets

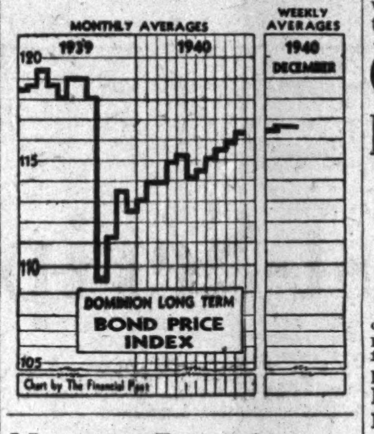
Investors See No Rise In Interest Rates

Canada, With Own Exchange Controls, Now Less Subject to Influences Which Are Seen as Tending Toward Increased Rates in U. S.

Investors find little if anything to indicate any immediate trend toward higher interest rates in Canada, in spite of the growing American enthusiasm about inflationary tendencies and more expensive financing costs in the United States. This appears to be one of the growing number of cases when the Dominion has been able to cut loose from the American apron-strings.

Ottawa has control machinery which has been successful so far in maintaining low money rates. For instance, yield of 0.63% on the Dec. 12 issue of Dominion Treasury Bills was the lowest since Aug., 1939, while current prices of high-grade Government bonds are at record highs. Officials expect the control can be further extended if the need arises, in order to halt any future swing to better money rates. No similar control machinery has been set up in the United States.

Investors see the intensified campaign for the sale of war savings certificates having little if any adverse effect on the sale of war loan bonds. The expansion in sales, it is expected, likely will come largely from new wage earners who seldom enter the bond market. Not only that, but Finance Minister Ilsley's expression of thought in Toronto this week that the sale of "baby" bonds should stimulate the saving habit suggests the certificate buyer of today may become a bond buyer of tomorrow.



The high-grade market remains firm, while the provincial section maintains a neutral tone toward the January conference on the Sirois report. Price changes on the corporation list are fractional and mixed, with little enthusiasm being shown pending further clarification of "excess" profits taxes—particularly as affecting pulp and paper bonds. Bond interest is paid before taxes, but investors maintain a nervous tendency about the indirect effects.

"Large—Very Large"

Two schools of thought are understood to be prevalent in Ottawa about the spacing of future war loans. One group leans toward a single giant offering per year, while the other is in favor of two issues. Finance Minister Ilsley's statement in Ottawa this week that the next loan will be "large—very large" suggests he might be in favor of the single, annual drive.

Critics of this policy feel a single offering would be too large, and that money which otherwise would go into a two-loan campaign might be placed elsewhere. A double-header each year, it is thought, would make it a relatively simple matter to divert current savings into bonds. The Finance Minister has announced that 1941 borrowings will total $1,000 millions. To raise all this in one loan—less what is obtained from savings certificates—would be a monstrous task.

Rational vs Emotional

Conflicting views also are prevalent on the method of approach in selling war savings certificates and war loan bonds. Mr. Ilsley this week declared in favor of a "rational" as against an "emotional" appeal.

Critics of the second war loan, however, were strong in the belief that more flag-waving and bugle-blowing is a necessity for the success of future offerings. That something is lacking in the Ottawa appeal for the war chest is indicated in Mr. Ilsley's own figures of sales of savings certificates in Canada, compared with other parts of the Empire.

Britain — population four times that of Canada—has been selling about 22 times as many certificates monthly as the Dominion; $55 millions compared with $2.5 millions. Australia—population four million less than Canada's 11 millions—already has reached a monthly figure of about $10 millions, equal to the objective of Canada's expanded campaign.

One qualification Mr. Ilsley makes for these figures is that the campaign organization in Canada has had to be built from the ground up. In Britain and Australia, on the other hand, advantage was taken of the highly organized labor unions which apparently do not exist on the same scale in this Dominion.

Bond Index

The D.B.S. index of long-term Dominion of Canada bonds at 116.8 for the week ended Dec. 12 was up 0.2 points from the previous week. It was 4.1 points higher than in the same week of last year, and up 0.5 points from the corresponding week of last month.

DOMINION OF CANADA
Long-term Bond Index

	Weekly average Dec. 6-12	Preceding week Nov. 29-Dec. 5	Weekly average year ago
Price	116.8	116.6	112.7
Yield	69.8	70.2	75.1

War Orders

Among the 2,685 contracts awarded during the week ended Dec. 6 by the Department of Munitions and Supply and aggregating $10.8 millions, were the following given to companies in which there is public investment interest.

	$
Foodstuffs:	
Canada Packers	122,597
Eastern Bakeries	6,183
Clothing:	
Monarch Knitting	70,125
Land transport:	
Ford of Canada	5,903
Electrical equipment:	
Can. General Electric	17,997
Canadian Westinghouse	26,434
Canada Wire & Cable	17,172
Gasoline, oil & fuel:	
B. A. Oil	21,000
Canadian Oil Cos.	9,813
Dockyard stores:	
Canadian Vickers	8,775
Aircraft:	
Canadian Vickers	6,213
Lumber & building supplies:	
Canada Cement	6,161
Canada Creosoting (Dom. Tar)	55,596
Consolidated Paper	7,200

Marcus Loew's Volume Holds

Uptown Theatre Lease Expires Soon—Expected to Be Resumed

Volume of business for Marcus Loew's Theatres, Ltd., in the first 3½ months of the current fiscal year ending Aug. 26, 1941, was about the same as in 1939, according to Leopold Friedman, a director, chairman at the annual meeting.

Lease on the Uptown Theatre expires next August, it was reported. Officials have not yet negotiated a renewal, but no difficulty is anticipated, with terms likely to be about the same as the present lease. The company owns two theatres in Toronto; Loew's operated by the company and the Uptown by Famous Players.

B. V. McCrimmon, secretary, confirmed information previously announced by The Financial Post that arrears payments on the 7% preferred stock may have to be spread over a longer period than originally expected, due to exchange restrictions. About 18% of the preferred stock is held in the United States, so all payments are subject to approval of the foreign exchange control board. Arrears total $7 at Dec. 31, and are being retired at the rate of $1.75 quarterly. Originally it was planned to retire them by the end of next year and this policy will be maintained, unless the control board rules they must be spread over a longer period.

Mr. McCrimmon reported the base figure for computation of "excess" profits taxes at approximately $120,000. About 84⅓% of all earnings above this figure and 30% of all earnings below this go to Government taxes, The Post finds. The company earned $145,352, before taxes, in the year ended Aug. 28, 1940.

Bond Sales

Dominion Treasury Bills

Lowest yield since Aug. 15, 1939, is reported for the Dec. 12 issue of Dominion Treasury Bills. The issue sold at a price of 99.84328 to yield 0.630%, comparing with price of 99.83673 and yield of 0.656% for the previous issue dated Nov. 29. Current issue is to redeem $40 millions dated Sept. 13.

Chilliwack, B.C.

James Richardson & Sons Ltd. has purchased a $22,500 issue of 4½% Township of Chilliwack, B.C., serial debentures, dated Dec. 30 and maturing in 1941-50. Purchase price was 100.17, and proceeds are for hospital purposes.

Barton, Ont.

Bell, Gouinlock & Co. has purchased an issue of $16,358 Township of Barton, Ont., 4½% debentures, dated Dec. 15 and maturing 1941-50. Price bid was 101.25, the other tenderer being Harris, Ramsay & Co. with a bid of 100.875. Proceeds are for local improvements.

Barrie, Ont.

Royal Securities Corp. has purchased an issue of $48,000 town of Barrie, Ont., 3½% installment debentures, dated Jan. 20, 1941, maturing 1942-56. The issue was sold at an average cost to the town of 3.07%—the lowest rate on record for Barrie. Last spring an issue of $80,000 4% debentures sold on a 3.45% basis. The present issue is to finance construction of sewage lines and a sewage disposal plant. List of tenders follows:

Royal Securities Corp. / Imperial Bank	103.13
Harrison & Co.	102.57
Fairclough & Co.	102.28
Dyment, Anderson & Co.	102.25
Wood, Gundy & Co.	102.08
R. A. Daly & Co.	101.87
Cochran, Murray & Co.	101.62
A. E. Ames & Co.	101.53
Dominion Securities Corp.	101.378
Bell, Gouinlock & Co.	101.32
F. L. Craig	101.30
Burns Bros. & Denton	101.26
Harris, MacKeen, Goss & Co.	101.11
C. H. Burgess & Co.	101.11
Harris, Ramsay & Co. / J. L. Graham & Co.	101.06
Mills, Spence & Co.	100.77
Bank of Toronto	100.76
McLeod, Young Weir & Co.	100.11

County of Halton, Ont.

Burns Bros. & Denton Ltd. has purchased an issue of $5,000 County of Halton, Ont., 3½ 5-year installment debentures, dated Dec. 20. List of tenders follows:

Burns Bros. & Denton	102.436
Bank of Nova Scotia	101.57
Dyment, Anderson & Co.	101.03
R. A. Daly & Co.	100.43
F. L. Craig	100.50

ELECTED PRESIDENT

D. A. Whittaker has been elected president and managing director of Sherwin-Williams Co. of Canada Ltd., succeeding George A. Martin, who has been appointed chairman of the board of directors.

Ontario Hydro Load Up 7%

Primary Power Continues to Gain Although Secondary Load Down

Hydro-Electric Power Commission of Ontario reports upward trend in power load continuing. November figures show a gain of 7% in primary peak load with the important Niagara system being up 5.3%. Largest percentage gain in primary power peak is shown by Georgian Bay system with 20.5% followed by Northern Ontario Properties with 15.8%.

When secondary power figures are included the aggregated gain is reduced to 1.7%, due to reduction in sales of primary power.

System:	Max. 20-min. peak H.P. Nov., 1940	Nov., 1939	% Incr.
Primary Loads			
Niagara	1,358,043	1,290,214	+5.3
Eastern Ont.	151,250	139,228	+8.6
Georgian Bay	44,606	37,009	+20.5
Thunder Bay	105,228	97,768	+7.6
Northern Ont.	201,323	173,928	+15.8
Total of all systems	1,860,450	1,738,147	+7.0
Primary and Secondary Loads			
Niagara	1,536,193	1,481,769	+3.7
Eastern Ont.	151,250	168,638	—10.3
Georgian Bay	44,606	37,009	+20.5
Thunder Bay	105,228	118,794	—11.4
Northern Ont.	243,414	240,684	+1.1
Total of all systems	2,080,691	2,046,894	+1.7

Call Second War Loan For Trading

Canada's second war loan bonds have been called for trading on the Toronto and Montreal stock exchanges, with the consent of the Bank of Canada. Second loan bonds were offered at 98¾; bid 98⅝.

Meanwhile, a bid price of 101¼ has been quoted on first loan bonds. This is a record high.

SANGAMO DIVIDEND

Sangamo Co. Ltd. has declared a dividend of 50 cents a share, payable Dec. 26, 1940, subject to approval of the Foreign Exchange Control Board, to shareholders on record Dec. 23. This is at the same rate as the September dividend and continues to be increased from the former 25-cent regular rate with occasional extras.

Rossland Plan Is Approved

Interest Cut to 4% — New Bonds of Annuity Variety

Final approval has been given a plan of reorganization for Rossland, B.C. The plan was prepared to avoid default, which has been looming as a possibility due to an increase in financial difficulties resulting from overexpansion during the mining boom days of the Rossland district.

The plan provides:

(a) All interest will be paid in full to Dec. 31, 1940, at original contractual rates;

(b) New debentures dated Jan. 1, 1941, will be issued to bear 4% interest, compared with a former rate of 4½-6%.

Annuity Debentures

The new debentures will be 20-year, annuity installment ones with total principal of $196,500 outstanding. Principal of $4,912 will be retired semi-annually.

The city has signified its intentions of restricting expenditures and increasing its tax rate in accordance with the needs for meeting principal and interest payments. The rate was increased this year from 42 mills on land and 50% of improvements to 60 mills on land and 40% of improvements.

The municipality will continue under supervision of the provincial department of municipal affairs. Its annual budget will be subject to approval of the minister.

The new debentures will be ready for exchange on Dec. 30.

Negotiate Plan For Brandon

City and Committee of Bondholders Seeking Agreement

Negotiations still are continuing between city council and a committee of bondholders for a reorganization of debenture indebtedness of Brandon, Man. The city defaulted in 1937, with gross funded debt, including schools, of about $3.3 millions, less a sinking fund of $1.7 million—which leaves net debt of about $1.6 million. Interest in default on debentures held by the public totals about $250,000 or $83,180 annually for three years.

Two plans of adjustment have been prepared. A committee of bondholders asks for payment on interest arrears at 75 cents on the dollar, with full interest thereafter. A refunding plan for 24 years, involving an annual payment of $115,000, would provide for the issuance of new debentures for unpaid securities with others to be carried to maturity.

Suggest 50 Cents on $1

The city's plan is for the payment of 40 cents on the dollar for interest arrears and 60 cents on the dollar for 1940-42. This averages 50 cents for a six-year period, with no provision for principal payments. Agreement between the city and a bondholders' committee would be only a first step toward reorganization. Agreement would also be required from 51% of bondholders, and the plan then would have to be ratified by the Manitoba utility board and finally by order-in-council from the provincial government.

Municipal Debts Show Decline

Drop in Each Year From 1932 to 1938

A reduction in total gross bond debts of all Canadian municipalities is reported in each year from the peak in 1932 to 1938, according to a bulletin of the Dominion Bureau of Statistics. Number of municipalities in Canada at the end of 1938 was 4,324.

Gross bond debts at the end of 1938 were $1,302 millions, compared with the peak of $1,385 millions in 1932. Figure in 1938 is the lowest since the 1930 total of $1,271 millions. Sinking funds amounted to $269.7 millions in 1938, and net bond debts were $1,032 millions.

Figures showing the decline from 1932 to 1938 are given in the following table:

Gross Bond Debts
4,324 Canadian Municipalities

	$
1932	1,384,792,777
1933	1,384,545,300
1934	1,381,500,231
1935	1,372,025,884
1936	1,353,124,228
1937	1,337,207,183
1938	1,302,201,400

Vancouver Voting Pleases Business

Socialist Crusader Against Big Corporations Retired

From Our Own Correspondent

VANCOUVER.—Businessmen here settled back with a feeling of vast relief this week when the civic election retired Mayor Lyle Telford and chose. Ald Jack Cornett to succeed him.

Dr. Telford is still a member of the Provincial Legislature, but it was as mayor of Vancouver that the white-haired Socialist stirred up most of his turmoil for business interests.

Dr. Telford, who gained his hold on the public through his associations with the C.C.F. and his radio oratory, was an outspoken supporter of the notion that because corporations are big they must be corrupt.

His successor as mayor is an Ontario-born farmer's son—the youngest of a family of 12, who went West in 1912, engaged in mercantile business and entered municipal politics 17 years ago. He was reeve of Point Grey before amalgamation with Vancouver and served a term in the legislature. He has been a consistent opponent of "Telfordism" and Socialistic reform while a member of the city council.

Report Progress In Merger Plan

Amalgamation plans for three suburban Toronto municipalities, Mimico, Long Branch and New Toronto, have moved a step forward.

Mimico's by-law for an appeal to the Ontario Municipal Board to enforce amalgamation has been given approval by the Ontario Dept. of Municipal Affairs. A similar by-law passed by Long Branch also will be approved by the department, according to information received by the council.

The proposal faces a problem, however, with the prospect of a nine mill increase in taxation for New Toronto, if taxes in the proposed city are determined on an equalized assessment basis.

Lower Deficit For Manitoba

Revenue of Province Better Than Anticipated —No Taxation Changes

Improvement in the budget position of Manitoba is forecast by Hon. Stuart Garson in his revised estimates for the current year and for the year ending April 30, 1942.

Mr. Garson estimates that there will be an ordinary surplus of $1.6 million in the current year, which is $815,000 above the original estimate. Revenue from all sources has been better than anticipated. Total cost for unemployment relief is expected to be $2.2 millions, which will leave $578,000 to be borrowed.

Hope for Budget Balance

If the favorable trend continues the province is looking for a completely balanced budget in 1941-42. Surplus on ordinary account of $1.4 million is predicted; ordinary revenue of $17.3 millions, and expenditure of $15.9 millions. These estimates do not include the province's share of unemployment relief. But it is expected that the estimated surplus will be sufficient to absorb the entire cost.

No tax changes were announced by Mr. Garson for the coming year. He stated that until the province could see more clearly what will happen to the recommendations of the Rowell-Sirois report, it is reluctant to make any alterations.

Revenue and Expenditure
Years Ended April 30

	1940	1939
Revenue:		
Dom. Subsidy	$1,713,284	$1,708,171
Special grant	750,000	750,000
Liquor control	1,725,000	1,700,000
Corp. taxes	1,699,742	1,512,334
Wage, inc. tax	2,065,288	1,919,048
Succession duties	875,449	605,426
Railway taxes	605,867	605,617
Gasoline taxes	2,789,088	2,536,838
Auto licenses	1,212,337	1,060,211
Tel. & telegraphs	913 368	928,974
Mines & resources	605,967	648,740
Other revenue	3,097,251	2,984,995
Total revenue	18,052,641	16,960,854
Expenditures:		
Debt charges	$6,411,232	$6,317,579
Education	2,133,477	1,990,840
Health and welfare	2,373,791	2,288,941
Public works	1,712,436	1,655,175
Other expenses	3,234,676	3,023,952
Total ord. expend.	15,865,612	15,276,487
Ordinary surplus	2,187,029	1,684,367
Relief charged	2,187,028	1,384,367
Power commission	......	300,000
Surplus	nil	nil
Relief capitalized	1,656,076	2,253,250
Capital works	450,000	......
Deficit	2,106,076	2,253,250

Debt Position
At April 30

	1940	1939
Stock	$ 8,156,694	$ 8,156,694
Debentures	82,862,587	83,084,587
Drainage debent.	2,158,200	2,158,200
Treasury bills	30,026,420	28,510,660
Exchequer bonds	6,967,461	7,097,284
	130,171,362	129,007,425
Less: Sinking fund	13,944,278	12,665,302
Net funded debt	116,227,084	116,352,123

Huron & Erie Net Close to '39

Canada Trust Will Probably Pay 8% Next Year, Same as for 1940

Huron & Erie Mortgage Corp. is expected to report earnings for 1940 not far from those of last year. If there is any change, it is possible that net will be a few thousand dollars lower although the current $4 a share dividend should be covered by a good margin, company officials tell The Financial Post.

Two main factors have contributed to this situation in 1940. One of these is the declaration of a semi-annual dividend of 3% by Canada Trust Co., subsidiary of Huron & Erie, instead of the 5% paid in recent years. This means that Canada Trust will pay total dividends of $80,000 for 1940, a reduction of $20,000 from amount paid in recent years. As Huron & Erie holds 97½% of the outstanding Canada Trust stock, it will bear the brunt of this reduction.

Canada Trust Pays 8%

It is understood that the declaration of a 3% dividend, payable Jan. 2, 1941, to shareholders of record Dec. 14, by Canada Trust Co. does not indicate adoption of a regular rate of 6%. On the contrary it is expected that Canada Trust will be able to pay 8% for 1941 as it did this year. This company has paid 10% for the period from 1927-40 inclusive up to the latest declaration. The actual 8% rate paid for 1940 will probably be continued next year.

Contributing to reduced earnings for Canada Trust have been higher taxes, which, when taxable income is calculated on the basis used in 1939, will be more than doubled in 1940 when the new rates are applied.

Then there have been some increases in other costs while revenues are down to a certain extent because of moratorium and other factors. Directors have decided that the company should recognize these facts and the newly adopted dividend policy followed.

Last year Huron & Erie reported net profits of $256,700, equivalent to $5.13 a share on its common. Dividends of $4 a share have been paid for the past three years.

Sell $3.4 Millions Interest-Free Bonds

Ottawa has received $3.4 millions of interest-free loans from patriotic Canadians. Total of $589,091 was received in November, and 24 of the 80 subscriptions were from individuals who had made previous purchases.

Among these was Olaf Hanson, Liberal member for Skeena, whose $10,000 purchase brought his total holdings to $30,000. Largest subscription in November was $500,000 from Pacific Mills, Ltd., Vancouver.

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It's a very easy way of making sure of giving gifts that will be really appreciated. Everyone on your gift list has some sport that he or she is "crazy" about. Just think how dad would like a new piece of fishing tackle. Or how Bud's eyes would pop open when he sees those new skis. Or how delighted Mae would be with a new golf club. Come in today and look around. We have the most complete stock in the city.
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ESTABLISHED 1854.
230 BAY STREET EL. 3221 TORONTO
Open Saturday Afternoons Until Christmas.

Company Reports

Beatty Bros.

Net profits of Beatty Bros., makers of household and farm equipment, more than doubled in the year ended Aug. 31, 1940, over the preceding year. On the class A common, the company earned $4.12 a share last year compared with 53 cents a share in the 1938-39 period.

Balance sheet shows some changes. Secured bank loan has been reduced from $920,600 to $194,400 and the sterling loan from $490,885 to $268,200 (£60,000). Cash on hand is practically unchanged at $4,317. Inventories are up about $140,000 at $2.2 millions. Trade and installment accounts receivable, after reserve of $778,253, are $3.5 millions, down about $200,000 from a year ago. Fixed assets amount to $1.9 million, against which reserve for depreciation of $1.2 million has been provided.

Income and Surplus Account
Years Ended Aug. 31

	1940 $	1939 $
Net oper. profit	626,332	296,917
Less: Salaries & fees	58,382	54,580
Depreciation	81,653	82,010
Tax provision	218,023	32,187
Net profit	268,274	128,140
Less dividends:		
First preferred	60,000	60,000
Second preferred	47,572	47,572
Surplus for year	160,702	20,568
Add: Prev. surplus	2,147,861	2,120,528
Life insur. adjust.	186,958	5,889
Bad debt res. adjust.	43,267	......
Prof. on Australian assets	......	151
Prof. on sale mach.	3,542	262
Prof. on pref. redem.	249	......
Prof. on sale furn.	314	582
Less: Real estate w/o	*31,850	119
Surplus forward	2,511,043	2,147,861

*Deducted before net profit in the company's statement on which basis earnings on the class A would be $3.30 a share.

	1940	1939
Earned per share:		
Class A common	$4.12	$0.53
No dividends paid		
Shares Outstanding:		
1st pref. $100 par	9,963	10,000
2nd pref., $100 par	6,796	6,796
Class A, n.p.v.	39,000	39,000
Class B, n.p.v.	100,000	100,000

Working Capital

	$	$
Current assets	5,974,625	6,200,021
Current liabilities	1,086,986	1,770,514
Working capital	4,887,639	4,429,507

Harding Carpets

Substantial increase in earnings is reported by Harding Carpets Ltd. for year ended Oct. 31, 1940, compared with the previous 12 months. After providing for quadrupled taxes and a newly established inventory reserve, however, net profit shows a considerable decline.

Working capital is slightly improved. Decline in cash to $51,945 from $66,950 and accounts receivable; and increase in accounts payable and income tax reserve is more than offset by an increase in inventories. Inventories are up to $437,454 from $273,759.

Total of 1,008 common shares were taken up during the year under agreement granted to executives to purchase up to 14,500 shares of unissued capital stock at $3 per share. An additional 615 shares have been taken up since the close of the fiscal year, and total taken up is now 4,136. Issued capital is 174,136.

Annual meeting will be held in Brantford, Ont., on Dec. 20.

Income and Surplus Account
Years Ended Oct. 31

	1940 $	1939 $
Earns. from oper.	279,535	185,627
Less: Depreciation	48,524	57,950
Inventory reserve	77,666	......
Income taxes	97,000	23,000
Net profit	56,345	104,677
Less: Dividends	52,056	34,503
Surplus for year	4,289	70,174
Add: Prev. surplus	195,326	126,045
Less: Prior inc. tax	3,259	893
Surplus forward	196,357	195,326
Earnings per Share:		
Common	$0.32	$0.61
Paid	0.30	0.20
Working Capital		
Current assets	636,039	524,522
Current liabilities	154,998	56,364
Working capital	481,041	468,158

Canada Dry

Net profit of $1 million for Canada Dry Ginger Ale, Inc., in year ended Sept. 30, 1940, was down about $154,500 from the previous 12 months. Working capital was increased, decline in cash and a bank loan for $600,000 being more than offset by a jump in inventories to $3.1 millions from $1.6 million. The bank loan was reduced from $1 million in June, 1940.

Three factors contributed to the earnings drop, states R. W. Moore, president. Taxes increased substantially while Canadian earnings in particular suffered from advances in prices of raw materials. A greater part of gross earnings was used than normally for new market development, product promotion and advertising.

Canadian profits in the latest fiscal year were equal to 10½% of total earnings, compared with 23½% in the previous 12 months. Provision for depreciation of $400,559 was up from $343,301 from the 1938-39 period.

During the latest fiscal year three new plants were established and truck delivery service was extended to 14 new areas in the U. S. and Canada. No further immediate expansion of plants or delivery service, however, is planned. Two new lines were introduced to 89 markets and all expenses for promotion and development of new products and areas were charged to current operation.

Inventories Increased

Difficulties in the alcoholic beverage operations as a result of the war are outlined by the president. Major problem is that of assuring continued supplies of Johnnie Walker Scotch whisky from Britain. To guard against possible shipping delays or losses, more than a year's normal supply has been accumulated.

The large outlay of cash resulting had a bearing on the decision of the company to forego the payment of a dividend in September, as in previous years, according to Mr. Moore. So far shipments are reported regular and sales of the product increased 24% compared with the 1938-39 year. The company has introduced three brands of domestic whiskies not formerly carried.

Cons. Income and Surplus Account
Years Ended Sept. 30

	1940 $	1939 $
Gross sales	19,259,399	17,076,341
Less: Disc. & allow.	809,697	523,204
Net sales	18,449,702	16,553,137
Less: Cost of goods	8,754,416	7,829,620
Adv., selling, etc.	8,467,168	7,445,983
Net oper. income	1,228,118	1,277,534
Add: Income credits	66,439	8,209
Less: Interest exp.	5,496	22,343
Other deductions	40,775	......
Income tax prov.	246,024	106,697
Net profit	1,002,261	1,156,704
Less: Dividends	......	307,578
Surplus for year	1,002,261	849,126
Add: Prev. surplus	5,108,483	4,448,893
Less: Res. for cases adj.	36,252	33,271
Hupfel foreclosure exp.	......	88,336
Unreal. loss Can. exch.	......	67,928
Earned surplus fwd.	6,074,492	5,108,483
Earned per Share	$1.63	$1.88
Paid	nil	0.50
Working Capital		
Current assets	6,128,230	5,209,717
Current liabilities	1,673,979	1,209,863
Working capital	4,454,251	3,999,854

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In the Louis XVI Dining Room. Delicious turkey and all the fixings. Served in private dining rooms if desired, at no extra charge. Your happy answer to Season's plans.
Per Person $1.50

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HAMILTON ONTARIO
VERNON G. CARDY, President — H. A. MACLENNAN, Manager

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Barrie, Ont.	Dec.	Royal Securities Corp., Imperial Bank	3½%	15-ins.	$48,000	103.13	.....
Dominion—							
Canada Treasury Bills	Dec.	.....		Mar. 14, '41	40,000,000	98.843	0.630%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Federal Foundries & Steel Co.	Dec.	J. H. Crang & Co.	5½%	1950	$500,000	*98.00	.....

*Carrying an allotment of 400 shares of common stock of no par with each $1,000 of bonds purchased.

The Editorial Page . .

What Kind of Rubber Money?

For about three years now Ontario's premier, Hon. M. F. Hepburn, has been making speeches on money. He professes frankly to be a monetary reformer.

In money Mr. Hepburn is less a reformer than a revolutionary.

The thing that a revolutionary and the reformer have in common is discontent with existing conditions.

The reformer has a definite programme for improvement. It may be a good programme or an impractical one, but at least it is a programme.

The revolutionary is content to arouse distrust and contempt for prevailing conditions but he has nothing to offer in exchange.

* * *

Mr. Hepburn has constantly preached that our monetary system is all wrong, too "rigid." The nearest that he has ever come to defining the system that he would put in its place is to suggest that we base the nation's money on the nation's credit. Since that is just where our money is based now the suggestion gets us nowhere. It is about as helpful as Calvin Coolidge's remark about the preacher who preached a sermon on sin. Mr. Coolidge reported: "He was against it."

Mr. Hepburn apparently does not mind much being accused of being a "rubber money" man. In an interview in Liberty Magazine he repeated his familiar piece about the superiority of the monetary systems of the dictator states. He said:

> "People who differ from me on this point accuse me of favoring 'rubber money.'. Well, Germany is operating on rubber money today. So is Italy and Japan.
>
> "It looks pretty much as though the nations with the rubber money were able to maintain the metal armies, and—so far, anyway—the people with metal money have built only rubber armies."

Mr. Hepburn has made so many speeches on money that it is not unfair to call upon him to declare exactly what he has in mind; what kind of a reformed money system.

It is not unfair to ask him how he thinks more "money"—not more wealth but more "money"—is going to get us more guns and airplanes.

* * *

Our banking and currency system is one that permits the supply of money—both in the form of currency and bank deposits—to rise and fall with the extent of the need, measured by the volume of activity among all the people of the country.

In fact since war broke out, and while Mr. Hepburn has been ranting about our metal money that gives us only rubber armies, the total volume of bank note circulation money in Canada has risen from $281.4 millions to $423.9 millions. It has risen because increased activity has demanded that much new money to facilitate business transactions. It was not the creation of the new money that expanded activity. Exactly the reverse.

* * *

And that is just where Mr. Hepburn and the other monetary "reformers" go astray. They think that if a carpenter has more tools he will automatically have more lumber and steel and paint to work with. They think that printing more money can create more labor skills, more tons of steel and copper, more airplanes and guns and shells.

We cannot create these things with money. We can create them only by labor. We can find the materials only by increased production or by doing without their use in other ways.

To suggest that there is a magic way of creating wealth, getting guns and airplanes, other than by working hard and denying ourselves to get them, is to delude the public with cruelly false promises. And that is something no statesman has any right to do when a nation is at war.

Our Platform For Canada

1. Strengthening cabinet leadership by drawing on Canada's best executive brainpower irrespective of political considerations.

2. An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.

3. Appointment of non-political industrial executive with complete authority to organize and direct procurement of munitions and supply.

4. Pay-as-we-go policy, in so far as consistent with an all-out war effort.

5. Elimination of public and private waste.

6. A national programme for post-war employment and relief problems, along lines of Sirois report.

Winning the war has become the focus, for all effort, national or personal, in Canada. It requires full mobilization of the nation's material and spiritual resources.

To the fullest degree, this should be achieved by individual effort, freely made.

Strong national leadership will inspire service and sacrifice which in turn will reduce the need for regimentation and compulsion.

Looking Back on Herr Baxter

On December 28 a year ago William J. Baxter made some forecasts. A good many people took them seriously, including many Canadians. They must have taken them seriously or they would not have continued to pay $80 a year to receive the bulletins of Mr. Baxter's "International Economic Research Bureau, Affiliated With Canadian Economic Research Bulletin."

Mr. Baxter, readers will recall, is a man down in New York City who has for many years made a good income out of selling astonishing prophecies of doom for Canada and Great Britain. Mr. Baxter, when the war came, turned out to be just another pro-Nazi. The Canadian Government had to stop his bulletins from coming into Canada.

It is worth while looking back at Herr Baxter's "Annual Review and Forecast" of a year ago because it throws some light on this whole question of the character of the sinister he operates.

Here was his first forecast: that peace would come in 1940 under the leadership of the greatest statesman in all Europe! Guess who. Mussolini!

Italy would remain neutral and within a relatively few months would force an armistice, said Signor Baxterino.

England was through. Japan was the coming island of the future. So Mr. Baxter went on. Then he listed eleven more forecasts of what would happen in 1940. Let us quote only two:

> "A fresh collapse of Canadian bonds and Canadian security markets."
>
> "A sharp rise in Japanese, Italian and German bonds."

The Financial Post would not again bring up this matter of Mr. Baxter and the egregious gullibility of his $80-a-year customers if it were not to make one point. That point is simply this:

Surely the friendly government of the United States, which has several hundred thousand laws and ordinances on its statute books, and several thousand governmental agencies of one kind and another, could find one law that would compel this Baxter-Hitler-Mussolini "business service" to take the name "Canadian" off its weekly bulletins.

It is not Canadian; it never was Canadian. The name of Canada is used, it is obvious, only to lend color of credibility to Mr. Baxter's unceasing effort to undermine faith in Britain, Canada and the Empire.

Editorials in Brief

R. J. Scott, president, United Farmers' Co-operative Co., "offered questionable advice to young farmers in Ontario," says the Farmers Advocate, when he advised them to quit the farm.

The Advocate urges the young people leaving the concession lines for jobs in town to keep up their connections with the soil, pointing out very wisely that after the war "it may be a haven to which they will gladly return."

* * *

Premier Aberhart of Alberta regards the financial recommendations of the Rowell-Sirois Commission as the road to autocracy. He professes to see democracy threatened in Canada by implementation of the report.

It would be interesting to know how the Social Credit leader regards the recent decision of the Alberta Social Credit League to exclude the press from its sessions.

* * *

Peacetime apathy cost Canadians millions of dollars in wasteful expenditure. In war, blindness to the need for economy is as insidious and harmful as a fifth column.

Although we faced the colossal task of financing the costliest war in history, the significance of sacrifice has been missed by most of the Canadian provinces. Their budgets for the fateful year 1941-1942 render lip service, but do little to implement real economy.

* * *

The nation ought to voice a word of thanks to Hon. J. L. Ilsley for his stubborn and untiring efforts to bring home to the people the harsh necessity for saving and sacrifice to win the war. Mr. Ilsley has made many speeches as minister of finance and in every one of them he has spoken bluntly and clearly of the basic objectives of exchange control, import embargoes, luxury and gadget taxes, and the war savings campaign.

But Mr. Ilsley is wrong in assuming that logical appeals are enough. He thinks Canadians will respond to a rational appeal as well as to an emotional one. There must be both. Some of Mr. Ilsley's more extrovert cabinet associates should add some of their own fire and enthusiasm to the Finance Minister's able, trenchant but not passionate appeals.

* * *

A little band of social revolutionaries in Western Canada is quietly laying its plans to impose a new economic and social system on Canada after the war. Their funds are ample; they control the assets of the western wheat pools. Their slogan is the harmless, if somewhat soporific word, "Co-operation." Their chief organ is the Western Producer. The whole set-up looks very attractive and innocent. In reality certain aspects of it are very sinister.

Some of these men will stop at nothing. Even brazen falsehoods are trumped up to serve their purposes.

In a recent issue, Western Producer repeats what it declares to be a conversation a western co-operator had "some years ago" with the editor of The Financial Post. The story is a fantastic concoction. The Post never held such views, never expressed such policies. But the Western Producer wanted to pin them on The Post to arouse suspicion. It could not find such views in The Post so it followed the example of Paul Joseph Goebbels and simply invented a conversation to serve its purpose.

The technique is that of Hitler who said "the bigger the lie the better chance there is of it being believed."

* * *

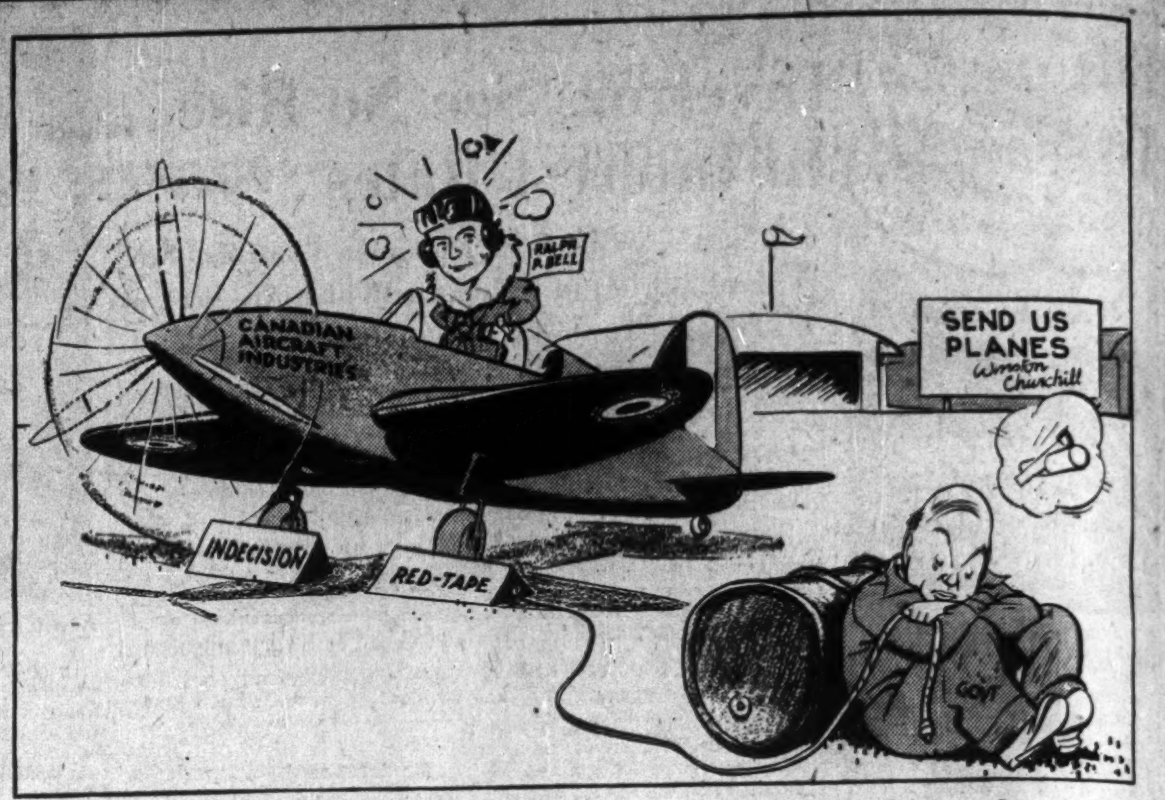
Canada and the war effort can ill-afford to lose John Grierson, who resigned last week as Canada's National Film Commissioner.

John Grierson is a genius. His genius is the making of moving picture films. He makes great films, as great as any made anywhere in the world. He makes films with power to move the heartstrings of a nation, films which could arouse Canadians to save or sacrifice, the sort of films ("Canada Carries On" series) which have already contributed greatly to the war effort and which are urgently needed in greater number and variety.

John Grierson chafed at red tape and official routine. He was too imaginative to be happy in a civil service pigeonhole. Perhaps he fought too strenuously against Ottawa officialdom.

Some way should be found to get John Grierson back. He has imagination and genius which are sorely needed in Canada's war effort. Right this minute we would be nearer our goal of $10 millions a month for war savings certificates if there were available for every employer and employee to see, an inspirational film on the war savings theme comparable to "Atlantic Patrol," "Wings of Youth," etc.

John Grierson should never have been allowed to resign. His genius is too precious to be lost to Canada in this hour of great need.



—Cartoon by Grassick

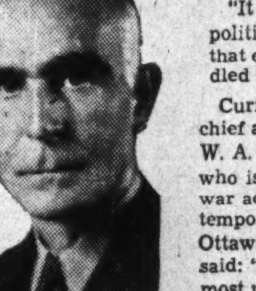
LET'S GO!

Post-Scripts . . . .

Privy Councillor

Great Britain paid a high tribute to a great Canadian this week by naming Arthur B. Purvis an Imperial Privy Councillor.

Though not a member of either the British or the Canadian cabinet he is now privileged to attend Privy Council meetings and is entitled to use of the designation "Right Honorable."



ARTHUR B. PURVIS

Only half a dozen Canadians now living are members of the Imperial Privy Council. There have been only 13 such appointments in Canadian history. Present names include Sir Lyman Duff, Sir Thomas White, Arthur Meighen, Prime Minister King, George P. Graham, Sir William Mulock and R. B. Bennett.

Mr. Purvis is director general of the British Purchasing Commission in the United States. He is the channel through which pours the stream of war orders for every conceivable type of war material which Britain is buying in that country. Until the Battle of France and during last winter's sitzkrieg there was more of exasperation than exhilaration in his job, but once the floodgate of British purchasing was unloosed last summer he got into his stride.

* * *

Mr. Purvis is a diplomat rather than a purchasing agent. Purchasing machinery is routine. It can run itself once it has been set up and placed in competent administrative hands. But the responsibility for establishing effective liaison between the two countries in terms of supply is a job which has demanded the most brilliant and inspired finesse and direction.

This is the job which Mr. Purvis has done to the King's taste. And his ability to handle it easily and well he attributes largely to his experience in dealing with politicians and government officials at the time he was chairman of the Purvis Employment Commission in Canada a few years ago. The Commission's work in Canada was largely abortive through failure of the Government to act on its major recommendations. But of this experience, Mr. Purvis remarked not long ago:

> "It taught me how to get along with politicians and civil servants. Without that experience I could never have handled this job."

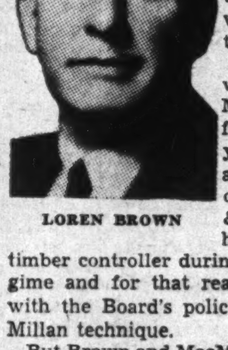
Curiously enough, one of Mr. Purvis's chief associates on that job was Professor W. A. Mackintosh of Queen's University, who is now one of Canada's top-ranking war advisers. Not many days ago a contemporary of Professor Mackintosh at Ottawa told us exactly the same thing. He said: "Professor Mackintosh is one of the most useful men in Ottawa today. When he was a member of the Purvis Commission he learned how to get along with politicians and government officials. Those lessons have stood him in great stead today."

Mr. Purvis is on loan to Britain for the duration from his peacetime job as president and managing director of Canadian Industries Ltd.

* * *

New Timber Boss

It's no simple business to fill the shoes of H. R. MacMillan, but when Loren L. Brown was chosen for the job of Timber Controller, to permit MacMillan more freedom for the direction of Canada's Wartime Requirements Board, the lumber industry from coast to coast realized that the new boss was well equipped for the office.



LOREN BROWN

Loren Brown, who has made Montreal his home for the past few years as director and vice-president of Dominion Tar & Chemical Co., had been deputy timber controller during MacMillan's regime and for that reason was familiar with the Board's policies and the MacMillan technique.

But Brown and MacMillan's association goes back much further than that. Back in the early 20's, MacMillan first recognized Brown's ability and persuaded him to join his young, hard-hitting organization then just beginning to become a factor in British Columbia's rising export lumber trade. For five years Brown was an important part of the H. R. MacMillan Export Co. executive personnel. Brown and MacMillan separated only when the province's lumber industry vitally needed an effective trade emissary to put over a bang-up promotion job for Douglas fir and other west coast species in the United Kingdom market and convinced Brown that it was his duty to take the assignment.

* * *

Brown and MacMillan parted the best of friends and thoroughly appreciative of each other's organization talents. They encountered each other again on the board of Dominion Tar & Chemical. When MacMillan was urged by Hon. Clarence Howe, Minister of Munitions and Supply, to become Timber Controller last June and accepted only on condition that he be answerable only to the minister and that he have full authority in the appointment of his subordinates the first man he thought of as deputy was Loren L. Brown.

* * *

Loren Brown's interest in the forests began when he was a boy. He was born in Portland, Ore., the centre of the great Pacific northwest timber trade at that time. He was happiest when in the woods, and during his vacations he worked in sawmills at Spokane, Wash. When he determined on a forestry career he studied at the University of Idaho and took his degree in engineering.

As a very young man he came to Canada—he became naturalized when he decided to volunteer for overseas service in the last war. He worked in sawmills on Vancouver Island at three dollars a day, helped build Victoria's waterworks system at Cooke as a junior engineer and supervised other construction jobs in Victoria's pre-war boom era. When war broke out in 1914 he joined up and eventually went to France with the First Canadian Tunneling Company. Three years later he was invalided home, with a wound and the M.C.

When he had recovered he found waiting for him a job well suited to his training—that of adviser to the aircraft spruce division of the Imperial Munitions Board, which was being ably directed from Vancouver by Major Austin C. Taylor, now president of Bralorne Mines and one of Vancouver's outstanding business leaders. It was Taylor's job, assisted by Loren Brown and others, to speed production of Sitka spruce in the forests of the Queen Charlotte Islands, Vancouver Island and wherever the tough, long-grained timber could be found. One of the men who co-operated in this programme was the aggressive chief forester of the British Columbia Government — H. R. MacMillan, who less than a quarter century later was to be one of the dominant figures in the lumber world.

* * *

After the war Brown took charge of the forest products laboratory at Vancouver, a brief period of training at Montreal's timber-testing laboratory in 1913 having equipped him for that post.

In 1920 the British Columbia Government, anxious to build up sales abroad, appointed Brown to take the job of lumber commissioner in London, and he played an important pioneering rôle in making British architects, contractors and builders familiar with west coast woods, breaking down an ancient prejudice that had been formed through long familiarity with Russian and Baltic timber. He returned to Canada to join the MacMillan company, but five years later he was back in London at the old job of merchandising B. C. lumber

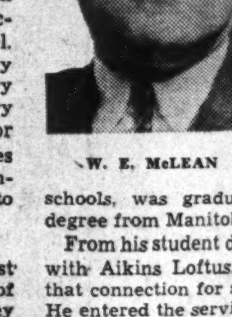
Several years ago he was appointed head of Canada Creosoting Company, subsidiary of Dominion Tar & Chemical, and subsequently went to Montreal to make his headquarters.

For relaxation out of doors he still likes roaming the woods. When woods are too far away he swings a golf club. In the evenings he reads the classics and he has long been a champion of Churchill's literary skill.

* * *

Coming East

Wilson E. McLean, legislative counsel for Manitoba, is relinquishing that position shortly to become associated with the Canadian Inland Underwriters' Association. He is a real Manitoba product and Manitoba is very sorry to part with this able and accomplished young lawyer.



W. E. McLEAN

Mr. McLean is one of a considerable number of Manitoba men whose successful careers have shown that application to study pays real dividends. Not that Mr. McLean is a recluse — he is very far from that — but he has always taken and found a great deal of pleasure in his work. He was educated in Winnipeg schools, was graduated with the B.A. degree from Manitoba University in 1923.

From his student days he was connected with Aikins Loftus. He remained with that connection for some time afterward. He entered the service of the province as legal assistant in the department of the attorney-general in 1928 and continued in that position until 1934, when he was made legislative counsel of the province of Manitoba. He was appointed King's Counsel on the New Year's list of 1938 and in August of that year, in addition to his other duties, he was made deputy superintendent of insurance and counsel to the department.

For some years Mr. McLean has been secretary of the conference on uniformity of legislation in Canada.

Sayings of the Week

"England carries the flag of freedom."—*Thomas Mann.*

* * *

"We cannot win the war by lukewarm participation."—*Hon. J. L. Ilsley, K.C.*

* * *

"The Nazi plan is a plan for world-domination or nothing."—*J. B. Priestley.*

* * *

"Without the conquest of Britain, Hitler cannot win the war." — *The late Lord Lothian.*

* * *

"Now life moves so fast we have to run to keep up with it."—*Mrs. Franklin D. Roosevelt.*

* * *

"These are the boys of whom we said 'They are not what their fathers were'."—*A. P. Herbert, M.P.*

* * *

"The ocean itself is not and never has been a barrier to the movement of armies."—*Walter Lippmann.*

* * *

"I think a little kindness and humanity are still the most important things in a technical world."—*Charles Chaplin.*

* * *

"Long ago I found out that people who love flowers are as a rule pretty decent sort of folks."—*Dr. Allan Roy Dafoe.*

* * *

"Modern wars are won and lost before they begin by the preparation of adequate forces of men and material."—*William C. Bullitt.*

* * *

"Russia is a Colossus with feet of clay. Britain has no need to worry about her. Just leave Russia to us."—*Polish Prime Minister Sikorski.*

* * *

"While unskilled and semi-skilled men are looking for jobs, there is a real dearth of trained workers." — *William S. Knudsen.*

* * *

Stop Me If . . . .

Seven German soldiers killed in the Norwegian campaign sought admission to Heaven. St. Peter permitted only two to enter, shut the gate on the other five.

"You've left us out!" protested one of the unlucky ones.

"I'm indeed sorry," explained St. Peter through the gate bars, "but according to the report of DNB, official Nazi news agency, there were only two German casualties today."

Other People's Views . . . .

The Canadian Editorial of the Week

Let's Face the Facts

Windsor Daily Star

Whenever the Government of Canada gets ready to put this country totally into the war, it will have the Canadian people behind it. No one who really knows these people can doubt that.

There have been statements to the effect that Canadians are not "sold" on the war, that they are not prepared to do and to give those things which are necessary to win it. Such a view is due entirely to a casual view of surface appearances. To talk seriously to a Canadian soon convinces one that he is ready and waiting for the chance to give his fullest service to the Empire's cause.

* * *

This is what is lacking, the opportunity to serve. While nearly twelve millions of people wait to be called on, a Government which seems to have lost all touch with public opinion hesitates.

Why does it do this? There is but one conclusion to draw. The Government believes that certain sections of this country will not support an "all-out" participation in Britain's war. The signs have been only too obvious that Prime Minister King and his colleagues have been stopping to consider the effect on their political fortunes of any radical step to bring all the resources of the Dominion to bear in the struggle.

While the country has cried for strong and courageous leadership, the Government has tried to follow public opinion. In doing so, it has managed to get miles behind it. Mr. King seems entirely unable to sense the public mind.

* * *

What he needs is to talk to a few "common people." He needs to meet the man in the street, the man who, every time an increase in taxes has come, every time things have been done with exchange or tariffs to help the war effort, has expressed his surprise that the Government did not go farther.

That is the feeling among the people today. They have been ready and waiting for enactments which would force them to make sacrifices, sacrifices which would bring about a change in their mode of living. They have been surprised and bewildered when no such change was demanded of them.

* * *

All this has had an inevitable result. The people have been eased into an attitude of mind that no great effort is needed to win the war. They have sat for months watching a complacent Government enact laws carefully framed so as to step on no voter's toes. Is it any wonder that the average citizen cannot realize the true seriousness of the situation?

The danger is that his attitude of mind will become permanent, that the people will be lulled completely into the idea that our half-hearted proseoution of the war is all that will be asked of us. Another few months of this sort of thing, and they will be very hard to convince that anything more should be demanded of them.

But, that time has not yet arrived. The people are still ready and waiting for the call to sacrifice and service. They are still willing to face the facts if the facts are put before them. They are still ready and willing to give and to do whatever this country and this Empire need, to sacrifice their time, their labor, their money and even their lives. They cannot understand a Government that holds back through the fear of sacrificing a few votes.

* * *

As Others See Us

Wanted: A Beaverbrook

Brantford Expositor

It is conceded on every hand, by everyone from the armchair strategists to the British Prime Minister himself, that British victory will be accomplished only after British air supremacy has been established. Pertinent, therefore, is the raising of the question as to whether Canada is doing her utmost in the matter of aircraft production.

On the face of it, this country's aircraft industry has not yet been utilized to the full for the purpose of hastening the day of victory. Enquiring into the causes of delay, The Financial Post reports that executives engaged in producing war planes in this Dominion admit that the stage of "all out" production has not been reached—and give the reasons why.

These reasons, if substantiated, constitute a serious reflection on governmental competence and suggest the need of immediate remedial action at Ottawa. Specifically, the plane manufacturers complain that they are hampered by too much red tape; that there is too little co-ordination; that there is a lack of definite policy. They add that Canada's potential capacity for warplane production cannot be fully utilized until complete reorganization of the existing setup has been effected.

The Financial Post is right when it declares that it is time Canada had a Beaverbrook, a leader big enough to slash through present red tape entanglements, a man with the ability—and the power—to make quick, right decisions.

* * *

What the Papers Are Saying

Hitler Would Like This

Brockville Recorder and Times

A certain well-known New York hotel has a good way of making known its war sympathies, even in enemy countries. Quite a number of letters addressed to Germany are posted there and to each one of them the management affixes a sticker, obtained from Canada, bearing the legend, "There'll always be an England!"

* * *

Head Versus Heart

Searle Grain Letter

Every decent person's heart impels him to press for the surplus wheat to go to the relief of the European people who will suffer if they do not receive more food. On the other hand every sensible person's cool head tells him if the sufferings of European people should be relieved by this means that it would result inevitably and immediately in additional bombing of Great Britain—for the extra wheat would enable more workers to make more planes and more bombs for Mr. Hitler—and the additional bombing would cause not only suffering, but immediate death to British men, women and children. And so the struggle between the heart and the head must continue until the great military drama unrolls itself to a conclusion.

* * *

Write to the Americans

Vancouver Sun

A Canadian living in New York writes us that he is unable by age to join the Canadian fighting forces. He has a little money to give to war charities. But he is trying to do his bit for Canada by persuading his American friends to spend their holidays in this country next summer.

He could do nothing more useful. Canada's most urgent financial problem is its supply of American dollars, needed to buy war materials in the United States. The easiest, cheapest and surest way to get them is through the tourist trade.

If you have friends in the United States, you can help our war effort by persuading them to come to Canada on their next holiday. Write them now, so that they will have plenty of time to prepare for a Canadian holiday.

Tell them what Canada offers in scenery, in sport, in fishing, in hospitality. Tell them especially that there is no restriction on travel here, no red tape at the boundary, no need of passports.

If you can bring a single American north next year, you will have done something worth while for Canada.

* * *

Criticism Would Help

Winnipeg Free Press

What the Government lacks most is able and constructive criticism from Parliament. Is the Government making the best use of our resources in men and materials, not in terms of economic theory but of winning this war? Is the Government's policy co-ordinated, or are some departments out of step with others? On three points—labor, wheat and immediate war policy—the ministerial statements indicated a lack of co-ordination. What is our war policy? What priorities have been allotted? Should we attempt a wide range of industrial output or concentrate on producing a few articles in great quantities? Should we take on simultaneously a big army, a big navy, a big air force, a big war industry? If so, can we meet the demands of all four? Do we want to go on spending twice as much on the army as on the air force?

The session has been exceedingly valuable in revealing the broad outlines of the war programme as it now stands. The weaknesses which have been disclosed, although they call for correction, are of minor importance in relation to the magnitude of the task on hand. And chief among these weaknesses is the lack of constructive criticism in Parliament itself.

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Week in Business

Business Level Jumps To New High Record

Productive Operations Far Above Any Previous Figure — Christmas Trade Boosted By Free Circulation of Money and Colder Weather

Canadian business nears the end of the year on a wave of activity never before experienced.

The Financial Post Business Index for November at 160.5, on the basis of 1926 equals 100, is far above the previous high level reached in October and almost 22% above the high point reached in the 1929 boom. Under the urge of war, production operations generally are now estimated to be far above those of any other time in Canada's economic history.

Base metal exports, sugar production and construction contracts awarded are among the items in which greatest activity has been seen. Employment continues to expand and at current rate it is expected every employable person will be working before many months pass.

• • •

Merchants are doing a record volume of trade. Three factors are operating to bring about this condition: the large national payroll, the approach of Christmas, and the cold weather.

Merchants find the public spending freely. People who have been employed steadily for some time are buying this year with more confidence than for many years past, while there is a tremendous demand coming from people who last year had no job or were working on part time and this year are earning a good wage for a full-time week.

Many business concerns are passing on some of the prosperity they are enjoying to their employees in the form of bonuses or additions to salary.

In some cases army demand is making itself felt in goods wanted by the civilian population. At some retail stores, for instance, it has been stated there has been difficulty getting skis because the army was absorbing much of the available output.

Butter stocks have been affected by a heavier army demand and consumption in November was much heavier than usual. However, it is expected in official quarters that it will be possible to import sufficient to keep any real scarcity developing before the spring.

Utterances of public men have indicated the probability that civilians will have to reduce their purchases of certain classes of goods in the coming months. This is not expected to apply to food, of which Canada has liberal domestic supplies in all staple lines. Controls affecting prices and wages are expected to prevent any runaway prices.

Business Indicators

Current business active with D. B. S. index for week ended Dec. 6 above previous week and about 5% above last year.

The Financial Post Business Index for November at 160.5 at new high level, almost 25% above 1939.

Railways — Carloadings and earnings for first week of December higher than year ago with cumulatives for year to date also higher.

Automobiles — Production of passenger cars and trucks increased in November.

Flour export. in November and first 11 months show good increases.

Newsprint production slightly lower in November, but total for year to date up 20%.

Foreign Trade — Total exports for first 11 months up 31%.

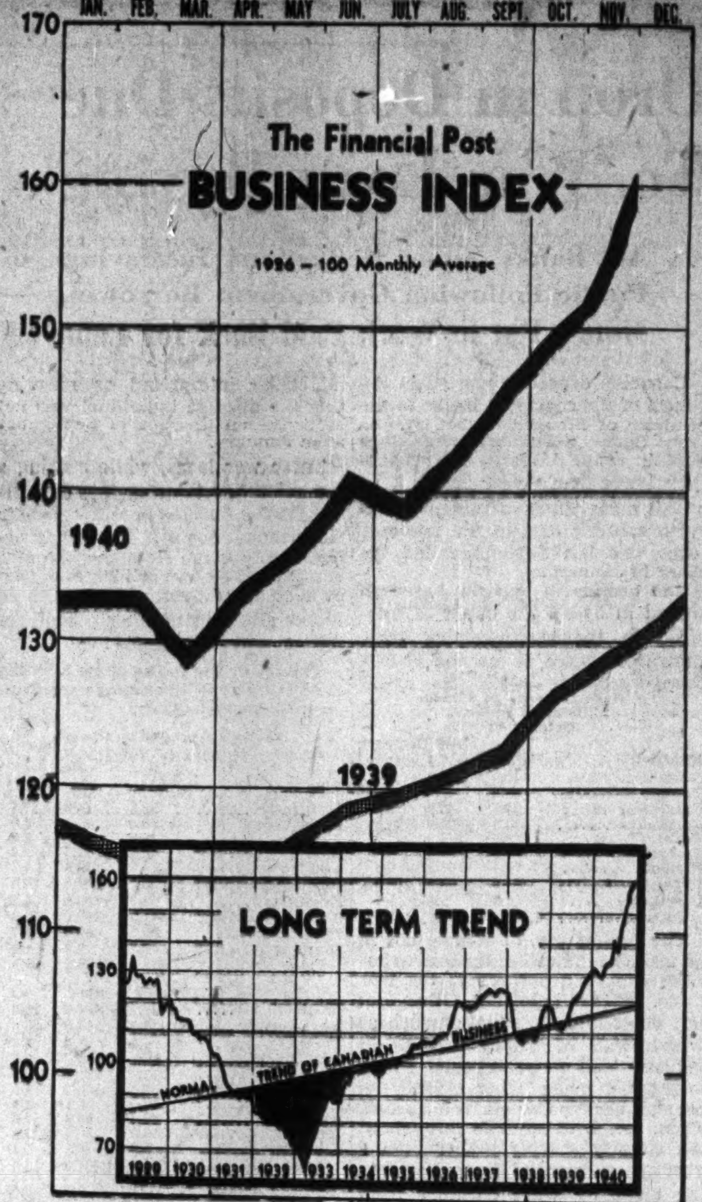
Cotton consumption in November higher than in 1939.

Trend of business shown by The Financial Post Business Index and following key factors, new items for week being marked thus ▪.

TREND OF BUSINESS—	Dec. 6	Nov. 30	Nov. 23	Nov. 16	Dec. 9/39
Weekly index of business, D.B.S.	107.2	106.4	105.1	102.1	102.2
Commodity prices index no.	84.1	84.1	84.0	84.0	80.8
	Nov.	Oct.	Sept.	Aug.	Year Ago
▪The Financial Post business index	*160.5	151.7	147.4	142.9	129.0
Retail sales index no.	....	93.7	91.0	93.6	86.9
▪Dept. stores sales index no.	97.6	92.4	88 2	89.1	81.8
Wholesale sales index no.	....	133.9	124.2	115.1	123.1
Country store (% change pr. yr.)	....	+3.6	—10.7	+9.8	+3.5
EMPLOYMENT Index Nos., D.B.S.	Nov 1	Oct. 1	Sept. 1	/Aug. 1	Year Ago
All industries	139.2	136.2	131.6	127.9	123.6
Manufacturing	144.6	143.8	138.4	134.4	122.1
Wage earners. no. 000's	....	....	2,805	2,709	2,506
Living costs weekly budget	....	....	$17.82	$17.90	$16.93
			Jan. 1 to date		%
RAILWAYS—	1940	1939	1940	1939	Change
▪Carloadings (week Dec. 7)	60,725	50,390	2,656,440	2,418,349	+9.8
▪C.N.R. gross (week Dec. 7) $	5,086,829	4,623,160	228,877,247	189,307,029	+20.8
▪C.P.R. gross (week Dec. 7) $	3,658,000	3,824,000	158,287,000	140,872,000	+12.4
C.N.R. net revenue (Oct.). $	5,241,322	5,453,648	33,209,638	12,106,202	+174.3
C.P.R. net revenue (Oct.) $	5,470,639	5,844,165	25,760,614	18,540,575	+38.8
IRON AND STEEL—Oct.—					
Pig iron production (tons)	109,385	85,758	948,841	573,740	+65.4
Steel ingots and castings prod. .... (tons)	185,091	149,890	1,649,639	1,087,583	+51.7
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (Oct.)	4,829	5,682	85,370	74,637	+14.4
▪Factory outpue .. (Nov.)	10,814	9,882	98,473	97,315	+1.2
Trucks and Buses:					
Domestic sales* .. (Oct.)	1,665	1,219	25,480	21,052	+21.0
▪Factory output .. (Nov.)	12,807	6,874	101,147	41,023	+146.6
Financing:					
Used .... (Oct.) $	3,230,121	2,710,322	36,103,792	30,327,357	+19.0
New .... (Oct.) $	2,125,353	1,749,308	28,227,723	23,834,099	+18.4
CONSTRUCTION—					
Contracts awarded..(Nov.) $	54,981,900	12,739,300	329,091,500	177,749,300	+85.1
▪Cement prod., bbls. (Sept.)	909,000	852,000	5,528,804	4,424,691	+24.9
AGRICULTURE—					
Flour prod., bbls. .. (Oct.)	1,872,514	2,089,562	13,590,455	13,326,579	+1.9
▪Flour exp., bbls. ... (Nov.)	882,718	572,810	6,625,291	4,439,458	+49.2
Wheat exp., bush. .. (Oct.)	9,658,887	16,848,847	110,129,700	107,856,939	+2.1
Cattle sales♦ ...... (Nov.)	123,596	108,983	1,062,519	1,009,833	+5.2
Hog sales♦ .... (Nov.)	654,218	443,398	4,766,632	3,268,256	+45.8
SEA FISHERIES—$					
Catch, cwts .... (Oct.)	1,052,400	830,900	9,450,250	8,398,750	+12.5
Landed value ...... (Oct.) $	1,669,300	1,203,200	15,961,000	15,106,650	+5.6
NEWSPRINT—					
▪Production, tons ... (Nov.)	282,344	288,726	3,165,906	2,628,610	+20.4
Exports, tons .... (Oct.)	275,821	270,493	2,702,750	2,149,435	+25.7
MINING AND OILS—					
Coal prod., tons ... (Oct.)	1,708,278	1,798,634	13,965,293	12,465,993	+12.0
Coal imports, tons .. (Oct.)	1,594,611	1,949,633	15,244,073	10,779,316	+41.7
Gold prod., fine oz. (Sept.)	440,450	422,392	3,935,341	3,801,760	+3.5
Crude oil prod., bbl (Sept.)	841,752	720,866	6,268,565	5,787,117	+8.3
▪Crude oil imp., bbl. (Oct.)	5,102,000	4,745,900	35,402,970	31,400,500	+12.7
ELECTRIC POWER OUTPUT—(October)—					
Total monthly, 1,000 kw h.'s	2,487,455	2,589,956	24,971,047	23,213,736	+7.5
FOREIGN TRADE—♦					
Imports .... (Oct.)	108,644,852	79,053,266	877,364,556	594,384,985	+47.6
▪Exports .... (Nov.)	118,408,587	98,490,366	1,094,511,368	833,948,985	+31.2
OTHER INDUSTRIAL FACTORS—					
▪Dressed lumber exp.‡ 1,000 bd. ft. ...... (Nov.)	231,532	138,924	2,261,380	1,962,894	+15.2
▪Shoes, pred., pr .. (Oct.)	2,531,659	2,701,694	21,985,976	20,606,901	+6.7
▪Cotton consump., lb. (Nov.)	16,236,976	15,978,183	175,113,097	114,839,736	+52.5
▪Raw rubber imp., lb. (Oct.)	18,056,804	11,877,283	86,140,318	60,631,009	+42.0
Cigarette cons. No.† (Oct.)	747,064	706,230	6,310,136	5,980,874	+5.5
Sugar manufactured .. lb.§	174,045,529	146,317,261	886,565,423	809,120,369	+9.5
FINANCE—					
Bank debits† .... (Oct.) $	3,526,625	2,898,916	28,179,805	25,630,139	+9.9
Bond sales† .... (Oct.) $	112,036	268,041	1,855,209	1,304,552	+42.2
Life insurance sales (Oct.) $	31,210,000	31,900,000	298,591,000	300,933,000	—0.7

*D.B.S. All Canada figure covering over 90% of the Canadian total. †000's omitted. §For four weeks to Nov. 2, 1940. ♦Gold excluded. ‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. *Preliminary. ♦Total at yards and plants. New items for week marked ▪

SKF
BALL & ROLLER
BEARINGS
ALL TYPES - ALL SIZES



BUSINESS ACTIVITY RISES —

Canadian business in November showed marked improvement over the preceding month and last year. The Financial Business Index rose to a record new high at 160.5, based on preliminary calculations. This was more than 5% above October and 24.5% higher than a year ago. For the third time this year the top of the chart above has had to be "lifted." Base metal exports were larger and sugar plants more active. Increases in construction contracts awarded and carloadings added to the expansion during the month. Consumption of raw cotton was lower.

Major Economic Factors

		Nov., 1940	Nov., 1939	Increase+ Decrease—	Oct., 1940
The Financial Post business index†		*160.5	129.0	+24.5	151.7
Bank deposits†		131.6	131.5	+0.1	139.9
Asbestos exports	tons	14,745	23,348	—36.8	14,977
Sugar manufactured	lb.	174,045,529	146,317,261	+19.0	92,174,302
Cheese, factory production	lb.	5,959,608	5,136,546	+16.0	15,867,077
Butter, creamery production	lb.	15,006,639	15,396,069	—2.5	22,603,387
Newsprint production	tons	282,344	288,726	—2.2	309,957
Planks and boards exported	M.ft.	231,532	138,924	+66.7	241,494
Shingles exported	squares	163,766	256,230	—36.1	291,217
Cotton consumption	lb.	16,236,970	15,978,183	+1.6	16,662,646
Canned salmon exports	cwt.	20,569	76,589	—73.1	48,695
Carloadings	no.	259,208	248,328	+4.4	280,641
Contracts awarded	$	54,981,900	12,739,300	+56.8	26,361,000
Exports	$	118,408,587	98,490,366	+20.2	106,790,810

*Preliminary. †1926 equals 100.

Net Tourist Trade Value Set at $100 Millions

By STAFF WRITER

OTTAWA.—Canada's tourist trade for 1940 will give the Dominion a net balance in U.S. funds of around $100 millions, according to preliminary estimates in official circles. Judging by receipts to date, it is not expected final figures will be any greater than indicated.

The Dominion Bureau of Statistics has been trying to gather more accurate statistics on actual expenditures of visitors in this country. While there has been some improvement over the broadly estimated figures previously used, there is still a lack of precision. Moreover, the net value of the trade was difficult to determine because of the lack of figures on expenditures by Canadians outside the country and more especially in the United States.

Since regulations of the Foreign Exchange Control Board came into effect, it has been possible to make closer check on the amount brought into the country by visitors and the amount spent by Canadians outside the country.

As a result much of the inflation has been taken out of the estimates on the value of the tourist trade. The net figure of $100 millions for tourist traffic this year, practically entirely from the States, gives for the first time a fairly exact picture of this branch of economy. It compares with previous reports that the 1940 tourist trade netted Canada $150 millions or more. Last year's net balance from tourist trade from all countries was set by the D.B.S. at $166 millions.

Christmas
and rededication

This Christmas is an occasion, not for relaxation but for rededicating our determination to drive through to victory.

THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION LIMITED
THE EMPLOYERS' ASSURANCE

MONTREAL WINNIPEG CALGARY TORONTO VANCOUVER

Keeping Posted . . .

By J. C. KIRKWOOD

Not a few manufacturers of washing machines, radios and electrical household appliances are pleased rather than upset by the restriction placed by the Federal Government on the making of new models. Thus, one manufacturer of electric washing machines said to a Hardware and Metal reporter, "As a war measure we heartily approve of the order. The changes made in Canadian washing machines have been too rapid in recent years." Another manufacturer is quoted so: "Most of us have been forced against our will and better judgment into unnecessarily changing models every year. So far as we are concerned we can carry on for several years with present models." Another manufacturer says: "Our advertising will continue, although we may lay stress on the utilitarian aspect of our products. There will be less talk about how swell our article looks and more about how well it performs."

JOHN C. KIRKWOOD

Retailers would seem to be glad that new models are to be deferred until after the war. Said one retailer, "The restriction will have a wonderful effect in stabilizing the sales end of the radio and refrigerator industries. Customers won't sit around waiting for new models to come out, but will buy when they need the appliance."

• • •

For Printing's Anniversary

The story of how printing came to Canada, and the story of the graphic arts as they relate to Canada, have been admirably told in a book bearing title, "Canadian Book of Printing." This book has been produced to commemorate the invention of the art of printing from movable type. The book is a co-operative publishing enterprise—being the joint production of Toronto Public Libraries and the 500th Anniversary Committee—a very representative committee of persons and firms in Toronto connected with the graphic arts industry. The volume is dedicated to "the memory of the pioneer printers of Canada—a noble company whose enterprise, perseverance and skill introduced the Printing Press into different parts of this country and maintained, through difficult times, a means of communicating ideas."

• • •

Drug Sale Breakdown

Perhaps many Post readers have wondered over the proportions of a drugstore's annual sales in respect of the several departments of drugs, toiletries, sundries, candy, and so on. Well, here's authentic information about the Tamblyn stores in Toronto—15 in number:

	Low %	High %
Drug sales	25	70
Toiletries	8	40
Sundries	8	33
Candy	5	20

W. C. Scott, president of the Tamblyn Stores, is reported by Drug Merchandising as saying that there is literally no such thing as an average store. "After studying all considerations," says Mr. Scott, "we have come to the conclusion that the man in charge of the store generally is the determining factor. One man, for instance, may be strong on drugs and prescriptions. He will arrange the store with greatest emphasis on this end of the business, and his personal selling will be applied to best advantage on these lines."

This article in the December 1 issue of Drug Merchandising can be read with much profit by all classes of retailers.

• • •

For Long Wear

Warren K. Cook, president, Cook Clothing Company, Toronto, has written a book for salesmen of clothing, yet it is also a book which wearers of clothing could and would read with deep interest, for it tells a great deal about cloth—and few of us would get high marks if we were examined in relation to our knowledge of cloths—vicuna, tweed, gabardine, whipcord, flannel, worsted, covert, and so on. This book by Mr. Cook has an arresting title—"Let's All Go Naked and Starve to Death." Cashmeres and camel's hair were never meant, says Mr. Cook, to resist hard wear. "A doctor, a travelling salesman, or any man who uses a car a great deal, getting in and out of it and rubbing the cuffs and back of the coat constantly will not get long wear from these fabrics," warns Mr. Cook. And he adds, "Men naturally gravitate toward the individual who knows his job."

PROVINCE OF BRITISH COLUMBIA
4% SINKING FUND DEBENTURES
(NON-CALLABLE)
To mature November 1, 1950
99.00 and accrued interest to yield about 4.125%
An official prospectus will be mailed upon request.
A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Winnipeg Vancouver Victoria London, Eng.

Year End Valuations
We will be glad to give you quotations on individual securities as well as on your entire investment list.
McLEOD, YOUNG, WEIR & CO.
LIMITED
Metropolitan Building, Toronto
Offices at Toronto, Montreal, Ottawa, Hamilton, London. Correspondents in New York and London, England.

DUN & BRADSTREET of CANADA, Limited
The Mercantile Agency
ESTABLISHED 1841
20 Offices in the Dominion

For Distinguished Service

The badge you see here is a coveted emblem . . . a symbol of 20 years of loyal and efficient service to Metropolitan's policyholders, and to the communities in which they live.

Today, more than 1,500 active Metropolitan Life Insurance Company field-men are proud possessors of this badge.

Over 7,000 members of the field organization have been in the business from 5 to 10 years; more than 3,800 enjoy 10 to 15 years of experience; and over 1,800 from 15 to 20 years. Fewer than one out of every eight field-men have served Metropolitan policyholders less than two years.

These years of continued service have an important bearing on the quality of advice and help which policyholders receive from Metropolitan representatives in Canada and the United States.

All field-men receive preliminary life insurance instruction before they begin their work of serving policyholders. Thousands of field-men regularly receive further instruction in the many courses conducted by the Company throughout the country.

During 1939, some 567 managers and assistant managers attended special courses; another 1,198 assistant managers received training in the field from the Company's full-time staff of 94 field training instructors. Also, 739 agents, assistant managers and managers were studying for their "Chartered Life Underwriter" degree. This is awarded only to those who complete specified studies in the application of life insurance to individual needs and in such technical phases of life insurance as its relationship to problems of taxation and inheritance. Additional thousands of field-men received instruction in other educational projects maintained by the Company—all with a view to assuring policyholders the utmost benefit from their life insurance.

Thus does the Metropolitan agent, with the cooperation of the Company, strive constantly to increase his knowledge and to keep abreast of the times.

The services the agent renders are many and varied. Helping the policyholder select the kind of insurance best suited to his needs and delivering the policy are only the beginning of a long series of services.

Many policyholders pay their premiums weekly, or monthly, and the field-man collects them.

When necessary, agents adjust insurance plans to new personal or family situations. Policies are checked to make sure that desired beneficiaries are properly named. Dividends are paid or credited.

When the death of a policyholder occurs, the agent often helps to prepare the claim papers and to get the cheque promptly to the beneficiary. Death claims were paid on an average of over 7,000 policies per week in 1939.

In addition, every week in 1939, more than 75,000 so-called transfers took place—occasioned by change of address or similar causes. In nearly every case some agent served the policyholder. In almost 7,600 communities where Metropolitan nursing service is available to Industrial policyholders, it is usually the agent who brings word of the policyholder's need for it.

If you need assistance with any problems connected with your life insurance, call in your Metropolitan agent. He will gladly consult with you, and help prepare and file necessary papers. There is no reason for paying anyone to perform these, or similar, services. As a Metropolitan policyholder, you are entitled to the free advice of your agent.

This is Number 32 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements in this series will be mailed upon request.

Metropolitan Life Insurance Company
(A MUTUAL COMPANY)
NEW YORK
Frederick H. Ecker, Chairman of the Board
Leroy A. Lincoln, President
CANADIAN HEAD OFFICE
OTTAWA

SUN LIFE OF CANADA
Assures Security
HEAD OFFICE — MONTREAL

Insurance

Low Interest Rates May Bring Higher Premiums

Absence of Any Prospect of Higher Investment Returns Regarded as Factor Calling for Adjustment — Higher Costs Seen in War Time

Will life insurance premium rates be increased?

Ever since the outbreak of war the question has cropped up from time to time and while there appears to be no definite trend toward such action it is evident many of the companies have been considering the matter.

Low interest rates and the prospect that they will continue low are the main factor in the situation.

Shortly after war broke out it was believed by some that interest rates, following the precedent of the last war, would work upward. But more recently all signs have indicated that such a development is unlikely. Consequently prospects are that interest rates will remain where they are or even work lower.

The two main sources of income of the life companies are premiums and interest from investments. If expenses remain constant and revenue from one source goes down then the revenue from the other source has to go up to keep an even balance. But under present conditions it is estimated by some that the cost of doing business is rising. Hence they argue that if interest rates remain where they are more revenue must be obtained from premiums to offset the additional expense.

Interest in the subject has been added by the remarks of Jesse Jones, Secretary of Commerce and Federal Loan Administrator for the United States, when he told the Association of Life Insurance Presidents at New York that life insurance must adjust itself to low interest rates.

While he was speaking of the United States conditions in Canada and the United States are normally closely related.

In the matter of rates the life companies in Canada do not act as a body. Each individual company acts on its own. But competition as a usual thing keeps rates fairly close together.

In some cases it is found, certain types of policies may be sold by an individual company for a time at rates lower than those asked by others but this usually adjusts itself.

Par and Non-Par

Ordinary insurance policies either participate in profits or they do not. Par and non-par are the two terms used by insurance men to designate the two classes.

The policyholder gets dividends on participating policies while he gets none on non-participating contracts. Accordingly the non par rate is lower than the par.

When rates are too low the company can put an increase into effect on premiums on participating policies by reducing the dividend paid the policyholder. As the amount of the dividend is not guaranteed it can be reduced at any time or raised if conditions warrant without disturbing the contract. But with the non-participating policy the rate cannot be changed once the contract is entered upon. Consequently all changes must be made in new policies. The change must be in the premium rate itself as there is no dividend margin.

Less Painful

A reduction in dividends while equivalent to an increase in the premium rate is less painful to the average policyholder and may be made without attracting much attention.

Many salesmen are averse to an advance in premiums, regarding it as something that might increase sales resistance.

Unofficial reports, however, indicate that some of the companies are considering some sort of action along this line.

Obituaries

George W. Allan, K.C., president Great West Life Assurance Co., and among other offices member London Committee and chairman of the Canadian Committee of Hudson's Bay Co., chairman Advisory Board for Canada Sun Insurance Office Ltd., director Canadian Bank of Commerce, Canada Permanent Mortgage Corp., National Trust Co., Northern Trust Co., Canada Cement Co., Dominion Bridge Co., British American Oil Co., Lake of the Woods Milling Co., Massey Harris Co., aged 80, at Victoria, B.C.

George E. May, secretary Ontario Retail Hardware Association, aged 56, at Toronto.

W. F. O'Connor, K.C., chairman of the Cost of Living Commission of 1919-20, law ofifcer and parliamentary counsel to the Senate, aged 67, at Ottawa.

WHO ARE WE?

"We" are a group of more than 165,000 policyholders from all walks and stations of life, who own The Mutual Life of Canada, and receive *all* its profits.

You too are cordially invited to join the large Mutual of Canada family and share *all* its benefits:

THE MUTUAL LIFE OF CANADA
Established 1869
Head Office—Waterloo, Ont.
"Owned by the Policyholders"

Britain Offers Insurance Bill

Retroactive to Start of War — Compulsory on Business Assets

Canadian insurance authorities are interested in the working of protection on British property during wartime.

Under the terms of the new war insurance bill introduced in the British Parliament, property valued at between $24 billions and $32 billions will be insured against war damage. The plan is compulsory on buildings, business assets such as plant machinery, office equipment, etc. Insurance on personal chattels and furniture, however, is voluntary. Churches wrecked will be eligible for benefits but the denominations owning them will not be asked to contribute premiums.

First premium will be payable in July, 1941, but compensation is retroactive and may be paid on losses back to the outbreak of war due to bombing, shelling or other enemy operations.

No Attempt at Rating

Payment of premiums is being made compulsory, it is understood, to ensure that sufficient funds will be accumulated to pay losses. No attempt is being made to differentiate between classes of risks and in this respect the plan varies from an orthodox commercial insurance practice. Reason for this, it is stated, is that there has been no time in which to prepare data.

The only exception is that the rates on farm property will be lower than on other property.

According to latest advices the premiums on buildings will be about 10% of the annual rental value. Thus if a man has a property worth the equivalent of $4,000 on which the rental is say £50 or about $200 he would pay £5 or about $20 a year premium.

On agricultural properties or land used for recreation purposes, the premium will be about 10 cents on $5.

On business assets it will be approximately 1½% of the value covered.

On personal property and chattels, insurance will be voluntary and nobody will be allowed to insure more than $6,000 worth of such property plus not more than $2,000 for an automobile.

Pool For Losses

The money collected goes into a pool from which the Government hopes to provide for the repair or replacement of property damaged or wrecked in the war.

The whole plan is described by insurance circles on this side of the Atlantic as being partly insurance and partly a tax to provide a fund from which to pay losses. Thus the financial burden caused by property destroyed by Axis bombers will be spread over the entire body of property owners in Great Britain.

The retroactive feature of the indemnity, while premiums will not be collected until next July, is regarded as a feature likely to overcome any opposition that might have been felt to the proposal.

The present plan is to cover five years. How replacements will be made depends on circumstances as to the urgency of the need, the availability of labor and materials. A War Damage Commission is being established to administer the plan.

Insurance Notes

Newton J. Lander, president of the Canadian Life Insurance Officers Association, in conveying the greetings of the association to the annual meeting of Life Insurance Presidents at New York, indicated that in Canada attention was already being given to post-war problems. Among them he noted those associated with:

The return to civil life of men from the armed forces.

The slowing down of industries built up and operated at high pressure on war work.

The incoming of new people.

The progressive and shockless relinquishment of arbitrary powers of government authority necessarily taken in wartime.

The balance in numbers and income as between rural and urban population.

The enactment of unemployment insurance legislation he noted as one measure of preparedness the Government had already taken.

* * *

The Pilot Insurance Co. has reduced its authorized capital from $2 millions to $300,000. The number of shares has been reduced to 15,000 from 20,000. The par value of the remaining shares has been reduced to $20 a share from $100. The effect of this capital change is not to take any money out of the company but to make the shares which were formerly 20% paid now fully paid up.

* * *

Fire Marshal W. J. Scott of Ontario has issued a circular urging greater precautions by the public at Christmas time to lessen the fire hazard.

People decorating halls, churches and public places should use particular care in their choice of decorations, he says. Only materials made of glass, metal and asbestos should be used. Packing material and rubbish accumulate much more rapidly at this time, he notes, and should therefore be disposed of at more frequent intervals.

Householders, too, are urged to be very careful in keeping Christmas trees away from sources of heat, and lighted flames should not be allowed near them, The danger of toys made of celluloid and other inflammable materials is also stressed.

* * *

R. Percy Adams of Adams & Sise, insurance brokers, Montreal and a director of the Pioneer Insurance Co., has been elected by acclamation to the Montreal city council.

Banking

Drop in Deposits Due To War Loan Buying

All Banks Show Reductions in Savings of Public Following Government Borrowing — Money Put to Work Paid Back for Labor

Canadian deposits reported in the return of the chartered banks to the Minister of Finance at Oct. 31, the latest figures available show savings deposits of the people to be $109 millions lower than a year ago.

This reduction is attributed directly to subscriptions to the two war loans, one last September and the other in January.

The decline in deposits has been shared in by all the banks as indicated in the accompanying table showing deposits at the end of Oct. this year and in 1939.

Savings Deposits In Canada
Millions of Dollars
October 31

	1940	1939	Decrease
Montreal	419.7	457.2	37.5
Nova Scotia	148.3	156.7	8.4
Toronto	84.8	86.5	1.7
Provincial	36.5	40.0	3.5
Commerce	312.4	337.0	24.6
Royal	329.5	344.9	15.4
Dominion	74.9	79.4	4.5
National	96.4	102.2	5.8
Imperial	90.9	97.2	6.3
Barclays	5.9	7.6	1.7
Total	1,599.5	1,709.1	109.6

The figures are, of course, not to be taken as indicating the exact contributions of depositors to the war loans, bankers point out. Other factors enter into the situation such as withdrawals of money for use in industry and large deposits which might be made when money is brought back to Canada from abroad. Then, too, with payrolls throughout the country sharply higher than a year ago, substantial deposits are being made by wage earnings from week to week. But on the whole the figures show the trend fairly well.

The decrease is the first at the end of any October compared with the previous year since 1933. It followed a new high record for savings deposits of $1,750 millions established on Jan. 31, 1940.

First Drop $91 Millions

The first war loan floated in January and paid for mostly in February was followed by a drop of $91.5 millions. Some of the bonds, of course, were bought under an arrangement with the banks, whereby depositors could pay part of the purchase price down and the balance over a period of three months. Some of these payments undoubtedly ran over into March and April. There was some recovery in the next two months until the blitzkrieg broke out. Some people then started hoarding. When they realized they were hoarding Bank of Canada notes which Hitler would probably not recognize if he captured Canada, they ceased withdrawing their deposits and gradually replaced them. Meanwhile wage earners were increasing their regular deposits steadily.

The second war loan was subscribed in September and paid for in October. This caused a drop in October of $55.4 millions as shown in the accompanying table.

The decline in this case was smaller than that in February which might be interpreted as meaning that the average individual was not as active an investor in September as in January.

These war loans, while causing a reduction in private savings deposits have been reflected in an increase in Government deposits, the money being simply taken from the accounts of the private depositors and paid over to the Government, which in return gives the investor a bond for the amount he lends.

The following tables show how the depositors of all the banks contributed to the war loans.

Savings Deposits in Canada
Millions of Dollars

Bank	1940 Feb.	Jan.	Decr.
Montreal	436.7	464.4	27.7
Nova Scotia	152.2	160.2	8.0
Toronto	86.5	91.3	4.8
Provincial	40.3	41.1	0.8
Commerce	327.7	345.4	17.7
Royal	336.1	355.1	19.0
Dominion	78.8	83.0	4.2
Nationale	101.5	103.0	1.5
Imperial	92.2	98.9	6.7
Barclays	6.7	7.7	1.0
Total	1,658.9	1,750.4	91.5

	Oct.	Sept.	Decr.
Montreal	419.7	434.6	14.9
Nova Scotia	148.3	154.9	6.6
Toronto	84.8	90.4	5.6
Provincial	36.5	36.7	0.2
Commerce	312.4	321.6	9.2
Royal	329.5	340.1	10.6
Dominion	74.9	76.9	2.0
Nationale	96.4	96.9	0.5
Imperial	90.9	96.4	5.5
Barclays	5.9	6.2	0.3
Total	1,599.5	1,654.9	55.4

These show deposits changing in varying proportion. It is stated by bankers, however, that this may be explained by some banks having large numbers of wealthy depositors who could subscribe large amounts while others might have many small depositors, a large proportion of whom might not be able to buy bonds in the denominations in which the bonds were offered.

It is expected that when the deposit figures for November are issued they will show substantial recovery over October due to the money borrowed by the Government being out into circulation by the purchase of war materials, paid out in wages and finding its way back ultimately to the banks.

Thus the savings of the people are put to work for Canada's war effort. But they come back to depositors again as they are paid out for materials and wages.

Autoist Liable For Damages

Instances of the liability to which motorists are subject were given a few days ago in a legal decision in the Superior Court of Montreal.

A five-year-old girl on her way home to lunch stepped off the curb at a street corner in Mount Royal into the path of an automobile driven by a Mr. A. She was hit, spent seven days in the hospital and was home for several weeks.

There were placards along the street calling attention to the school zone.

The judge, in laying the obligation on the motorist to clear himself of blame, said a child five years old cannot be expected to exercise discretion and no partial fault could be attributed to her even though the motorist was not exceeding 30 miles per hour.

In 1939 the insurance companies in Canada paid claims amounting to $3.1 millions on automobile insurance policies. The bulk of this was on claims where injury had been sustained by an individual or damage was done to property.

Weekly Statement Bank of Canada

An increase of over $5 millions in note circulation shown in the Bank of Canada statement for the week ended Dec. 11 is due evidently to the demand for more cash for the Christmas trade. This brings note circulation to a new high level in the history of the institution.

Deposits of the Dominion Government with the bank dropped $36 millions, this money being probably used to buy sterling and United States exchange to pay for war supplies purchased abroad.

Balance Sheet

	Dec. 11 1940 $	Dec. 4 1940 $
Liabilities		
Capital paid-up ..	5,000,000	5,000,000
Notes in circ.	343,365,320	338,149,761
Rest fund	2,449,756	2,449,757
Depos.: Dominion.	41,119,846	77,165,382
Bank	234,415,901	233,895,050
Other	2,268,471	8,669,313
Total deposits	277,804,218	319,729,745
All other liabs. ..	6,663,004	8,210,126
Total liabs.	635,282,298	673,539,389
Assets		
Reserve:		
In sterl. & U. S.	47,367,015	82,967,015
Subsidiary coin ..	692,202	712,003
Investments:		
Dom. Gov. short	440,419,449	441,040,847
Other Dom. Gov.	139,333,102	139,308,836
Total invest.	579,752,551	580,349,683
Premises	1,738,063	1,730,354
All other assets ..	5,732,467	7,780,334
	635,282,298	673,539,389

Bank Chat

The First National Bank of Englewood, a suburb of Chicago, Ill. has announced that after Jan. 1 it will discontinue payment of interest on all savings accounts. This institution is one of the larger neighborhood banks of the Chicago area.

The policy of accepting deposits without paying interest has been followed in certain centres in the Eastern States for some time, the banks levying service charges which are stated to be practically the equivalent of a fee for taking care of the deposits.

Canadian banks, however, uniformly follow the practice of paying interest, the current rate being 1½% on savings deposits.

Weekly Bank Clearings

	Dec. 12 1940 $	Change Year Ago %	Dec. 5 1940 $
Halifax	3,238,494	+17.6	3,947,705
Saint John .	1,820,559	—6.3	2,238,748
Moncton ...	956,896	+25.9	1,073,221
Sherbrooke .	790,974	+11.1	851,022
Quebec	5,282,545	+24.9	6,349,526
Montreal ...	92,378,859	+10.2	144,433,998
Ottawa	41,521,397	+123.8	52,909,636
Kingston ...	644,928	+6.3	754,385
Peterborough	611,239	+5.4	715,849
Toronto	104,889,470	+6.8	173,266,842
Hamilton ...	5,641,622	+1.8	7,075,801
Kitchener ..	1,072,926	—4.0	1,338,596
Brantford ..	898,025	+1.3	1,107,910
London	2,630,755	+3.4	3,445,563
Chatham ...	637,049	+0.4	743,401
Sarnia	559,753	+21.6	582,365
Sudbury ...	1,057,866	—4.9	1,048,306
Windsor ...	3,246,376	....	3,502,923
Fort William	980,488	+40.7	990,536
Winnipeg ...	49,712,914	—37.4	62,533,141
Brandon ...	384,165	+30.1	474,835
Moose Jaw .	715,855	+14.3	902,108
Saskatoon ..	1,506,446	—0.7	1,827,567
Prince Albert	506,374	+45.8	483,083
Edmonton ..	4,361,939	+2.3	4,944,463
Calgary	7,027,425	+5.9	6,948,393
Medicine Hat	382,832	+69.2	392,772
Lethbridge .	687,904	+17.5	608,723
Regina	5,094,661	+9.4	5,926,119
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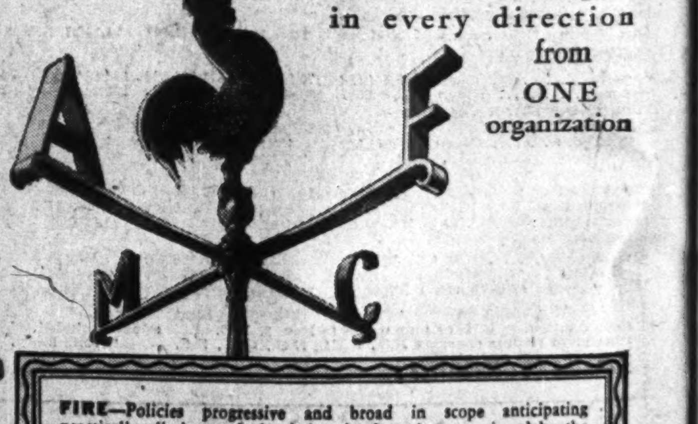

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Canada Looks South — **Ronald McEachern in Jamaica**

West Indies Clamor For Canadian Goods

Huge New Market Now Offered Canada—Post Writer at Kingston

By R. A. McEACHERN
Staff Writer, The Financial Post

KINGSTON, JAMAICA, B.W.I. — The trackless tangle of the Florida keys, paradise of the deep sea fisherman, graveyard for straying ships—the browns and greens of Cuba and a brief landing at Cienfuegos (City of a Hundred Fires) —then the brick red soil of Jamaica with its towering mountain range and lush valleys stretching down to the sea—that was the five-hour airliner trip from Miami to here.

R. A. McEACHERN

Our pilot was a grizzled veteran of the first great war, one of the oldest on the Pan-American Airways system, a very rough diamond, very different from the sleek college graduate younger pilot common on TCA and American lines.

Our Ship and Crew

The craft was a four-motor Sikorsky amphibian—a seven-year-old type but, I am told, only three years in service. Certainly it had not the sleekness of airliners Canadians are familiar with.

Motors are 750 h.p. Pratt & Whitneys, cruising speed is around 140 m.p.h. and there were 24 passengers—mostly Canadians and Americans—aboard.

Pan American has its own radio system around South America, thus taking no chances on a change of politics in some Latin American country affecting the method or safety of operations.

Save for take-off and landing the pilot spent most of the morning telling me of his work years ago testing the automatic bomb sights which United States has recently started sharing with Britain.

The co-pilot was one of the younger college men but the radio man and engineer are obviously old-timers. Stewards were young—and light Cubans.

The Passengers

Among the passengers was John Trunk, pilot for Standard Oil, who works out of Cartagena. He knows Leigh Brintnell of Mackenzie Air Service, having made several trips to Canada delivering Barkley-Grows for that north west Canadian line.

During holidays from his Standard Oil job, he tried to get a job ferrying bombers over the Atlantic to Britain. He did not work it because the ferry system had yet to be established. The offer was $500 a trip.

Trunk's boss is Captain Flanagan, colorful Toronto resident and one of the biggest South American oil kings.

Canadian Influence Strong

The Canadian influence is surprisingly strong here in Kingston. Three Canadian banks (Royal, Nova Scotia, Commerce) dominate some of the main corners of the business section. Most of the Canadian life insurance companies—with the exception of Canada Life—are much in evidence. The electric light system is owned by a Canadian corporation, Jamaica Public Service Ltd., involving Russell Bell and the Greenshields Co. of Montreal. Half the motor cars imported here last year were from Canada and more than half the cars on the street are Canadian.

British cars are having some extra popularity right now because of their gasoline economy which becomes important with gasoline costing around 50 Canadian cents a gallon. A Canadian auto representative here complains that his home factory is so busy with war vehicles he is having difficulty in getting supply.

Shelves Emptying

When I went to a local store today for a tropical suit I got one off the hook, altered to meet my particular needs, for one pound. The suit was made in Canada. The merchant, a Portuguese Jew, third generation Jamaican resident, said he got a lot of things from Canada but that under wartime restrictions he couldn't get enough.

If present import restrictions continue, he says, his shelves will be almost entirely empty by Christmas. Canada is the source on which he had depended and drastic efforts to save exchange are rapidly decreasing the supplies which he may bring in.

Great Britain's apparently dire need with respect to supplies of foreign exchange—dollars—is having drastic effects on the life of this island and is the major check on a very large increase in Canadian-Jamaica trade.

But Britain apparently takes the view that the burden of war should be shared; that she makes little or no call on Jamaica for armed forces; that Jamaica is not yet called upon to stand the nightly rain of bombs, to submit to severe rationing of food, gasoline and almost every "necessity" of modern life. For that reason, Britain has little compunction about putting down the screws of economic sacrifice.

McEachern Carries On

It was announced this week that the Canadian Government Trade Mission, under Hon. James A. MacKinnon, is returning to Canada because of the illness of the Minister of Trade and Commerce.

It is likely that the mission will return to South America at a later date.

In the meantime Ronald A. McEachern will continue his tour by air of the leading Latin American capitals. Mr. McEachern has already reached Lima, Peru, and will wing his way to Santiago and Valparaiso, Chile, next week.

His vividly written dispatches, brought to Canada by airmail, will appear weekly in The Financial Post until about the end of February.

The two main themes I have heard talked here are the drastic import licensing restrictions which residents readily accept when applied to non-Empire countries, but which they do not believe should be so strictly applied against Canada which stands far higher here in the minds and affections of many people than most Canadians would have expected.

Lack of Interest

The other theme is wonder why Canadian business so often shows lack of interest in this market. Here's one "incident" several have mentioned.

Immediately war was declared, the Jamaica administration clapped on foreign exchange control, export and import licensing and other wartime controls so familiar to Canadians. But at first the prohibitive side of the legislation was applied almost entirely to countries like United States. Seeing their American and other foreign connections chopped off, a large number of Jamaica businessmen at once wrote Canadian firms seeking new connections.

Now, of course, on this point I am getting only one side of the story. But the important thing, it would seem, is that here were established distributors and commission men—some of them very distinguished figures in the English colony here—who didn't like the answers they got—or didn't get—from the Canadian firms to which they wrote, literally offering new business prospects on a silver tray.

Among the most critical here of that situation which, of course, was discussed in every club in town was a Canadian resident who has apparently seen some of the replies from Canada.

His comments were caustic for such a mild man.

"I've been watching Canada's export trade for a long time and I've just come to the conclusion that Canada is asleep on her feet so far as export business goes.

"Of course, there are very important exceptions. Some firms are alert, informed and enterprising. But so far as I can see too many of them have no separate export departments, devoting their entire attention to export and new foreign markets, staffed by men who are not only devoting their time to servicing and developing such markets but who have at least seen the places and met some of the people with whom they are dealing; who have some idea of other needs, other preferences.

"What is Canadian business going to do after this war is over unless she wakes up to her export opportunities? Most of the commission houses have retained their United States connection though they can do no business that way now and America is most certainly just waiting to jump right into this market the moment the restrictions are lifted."

Lack Sales Drive

Of course, there are extenuating circumstances for the Canadians. For instance: two or three Canadian firms make a certain type of nails. But when war cut off other markets, some hundreds of commission men here may have written asking to represent the Canadians here.

But when the whole picture is put together, the most sober appraisers find that too many Canadian businesses tend to be lax in their reception to these enquiries and too often lacking in sales drive; that too often the normal reaction of the enquirer is going to be, "To hell with trying to do business with the Canadians."

War, of course, has created extraordinary problems for traders, and on the short or wartime view of trade possibilities between this country and Canada the likely pattern of trade appears fairly well fixed.

Here are the main problems.

1. The increase in the relative value of the Canadian dollar versus sterling, the increase in ocean freight and insurance rates and generally rising prices have all conspired against logical growth.

2. As a Crown Colony, Jamaica's wartime economy is bound inextricably with that of London, whence come regulations about exchange control, etc. From a variety of conversations, it would very definitely appear that, dropped in the pot with the rest of the Empire, Jamaica's particular needs and interests are probably lost sight of in the busy offices of Whitehall. Assigned the particular job of conserving foreign exchange—dollars—Bank of England it seems goes out to save dollars hell and high water without regard for concomitant considerations and without co-ordination with other arms of government.

Jamaica officials are simply applying orders that come from London when they refuse import licenses for Canadian drugs, radios or refrigerators—three items refused three importers with whom I talked this morning. Amelioration has to come from London. It is widely hoped here that the Canadian Trade Mission will spotlight the problem and that some relief may result.

Main result of the four day visit here of the Canadian Trade Mission has been to clear the trade air between the two countries. Though tied closely together by the Canada-West Indies trade agreement, the lengthening list of wartime restrictions whose desirability was not immediately understood or allowed had created a stew of problems, none of them serious, most of them irritating. These have been thoroughly discussed during the conferences with various interest and there is generally better feeling on both sides.

While war and the presumed necessities of economic warfare supersede all other considerations, neither Canada nor Jamaica looked for any important trade developments from the conferences. But if war does not seem to open important new markets in the trade of these countries it also means that this year Canada will be selling Jamaica about 50% more stuff than last year.

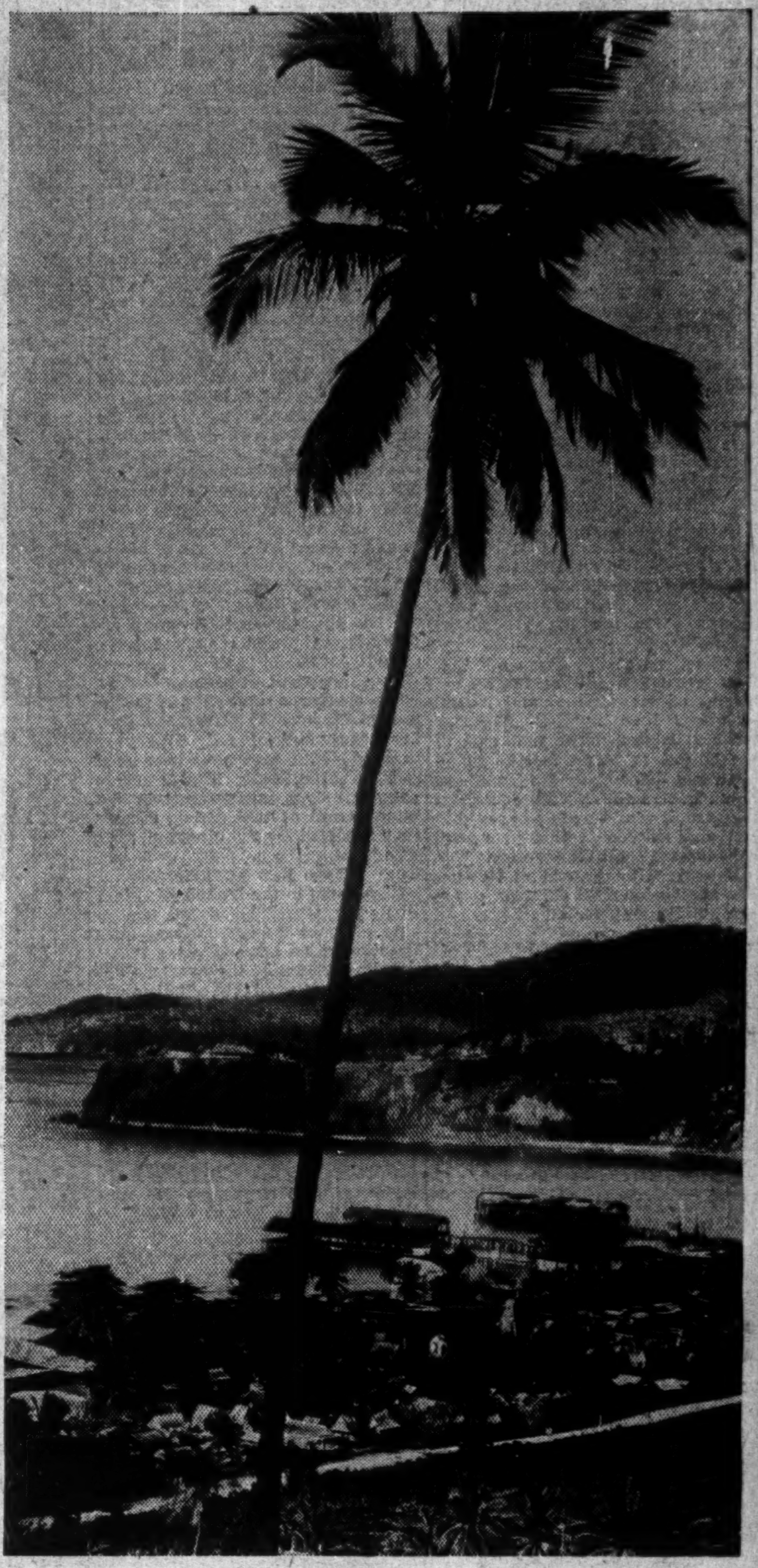
Principal Exports

In peacetime, Canada's main exports to Jamaica were flour, fish, boots and shoes (women's and children's), auto tires. After come a large number of smaller items, soap, dresses, millinery, and general merchandise. In 1939, Canada's exports here were worth £1,121,108 or 18% of Jamaica's imports. Canada was the third largest trader here with United Kingdom first with 29% and United States second with 23%.

What has happened since war and the gradually tightening import-export licensing.

Canada's meat sales here have gone up in recent months because Argentine imports have been cut off entirely. One official was extremely caustic about the quality of pickled beef Canada is sending

(Continued on page 10)



"Jamaica is an island of deep bays and high mountains with a warm but refreshing climate." —C.N.R. photo.

Jamaica and the British West Indies generally are anxious to switch trade to Canada. Principal products they have to offer are bananas and sugar, principal needs are flour, canned goods, fish and cheap manufactured products. Top picture shows bananas being loaded on a Canadian National steamer, below sugar cane being milled. —C.N.R. photo.

Post Visitor to Jamaica Finds Active Canadian Colony

By R. A. McEACHERN
Staff Writer, The Financial Post

KINGSTON, — This noisy city is home for an influential group of Canadians, most of them confessing a vagrant love for the tropics, nearly all wishing they were home for a whiff of winter.

Canadian bank managers, who are very keen figures in the business life of the island, have been energetic hosts to the official Canadian Trade Mission visitors.

H. J. Evennett, manager of the Royal Bank, is a Vancouver home-towner, his wife from Victoria. William Torrie, manager of the Nova Scotia, has spent many years in the tropics. G. J. McRae, manager for the Commerce, is Ontario born, but his head office, with fine abandon in selecting contrasts for him, sent him here from Medicine Hat.

Frank Fraser, Canadian Trade Commissioner here for a dozen years, doesn't let anyone forget McGill is his Alma Mater, nor does his wife that she is a Bluenose. They are evidently one of the most popular couples in town.

What is generally regarded as one of the really outstanding pieces of public health work achieved so far in this sorry world is financed by the Rockefeller foundation and in charge of a Canadian, Dr. E. W. F. Flahiff, from the University of Toronto.

He has been working for about eight years among the natives with startling results. Malaria has been reduced from a pestilence to rarity as the Rockefeller men charged through swamps and did a mosquito blitzkrieg. That well under control, they turned to hook worm, rampant among the barefooted blacks. That's now tended to. Then came another victory over the chronic plague of yaws. Now the Flahiff weapons are turned on the island's greatest killer, tuberculosis.

Canadian Residents

Manufacturers Life Insurance Co. has had George Woolner here for the past five years. His father is a doctor at Ayr, Ontario, and his half Swiss, half Scottish wife told me this evening that she had just become a matron—she had just celebrated her first marriage anniversary. The Woolners seem to be the only Canadians acting for Canadian insurance companies.

George MacDuff, genial bachelor head of Jamaica Public Service, says a lot about his Scottish name but admits that Boston is his home. He has operated utilities in the Canary Islands before coming here. He resolutely avoids even a sniff of fresh air by never going to visit his Montreal boss, Russell D. Bell, save when assured that Montreal summer is suitably stifling.

George Howe, an agricultural expert from Edmonton, with post graduate degrees from Iowa, is one of the chief blight and plant disease sleuths.

He says the tropics are hard on the nerves, can't read books the way he did back in Alberta. However, this is such a bug-beridden land that it must be a scientist's paradise.

Now a Refugee

Clinging to the old Canadian custom of taking visitors to night-clubs, he carried me along to the Kingston night spot, properly called the Glass Bucket. The tunes, whirled high and loud by the native band, were mostly old and New Yorkish. "There'll Always be an England" was sung three times at one standing.

Perhaps the most interesting Canadian in Jamaica right now is a Montrealer who has lived and built a famous legal practice in Paris, France, during the past 35 years.

Now he is a refugee from the people and things around which he built his immensely happy life, finds funds strangled in the coils of invasion and wartime restriction.

He is Samuel George Archibald, of Montreal, who became one of the great international lawyers, handling the European affairs of a long string of enormous United States and Canadian firms.

Not far from the three score and ten—it may be a few years either way—he has the hawk nose so common among Highland Scots, the familiar blood flecked complexion and shovel chin of the Scots.

His world will never be the same with Paris gone, he readily admits. His office, his apartment, the Travellers' Club and taxicabs—in those four places he has spent his life. He had long since warned his wife that if she couldn't find him in one of those, to get the police. He'd be in trouble.

He fled France on a Friday. Monday the internment of British subjects began.

Hon. G. C. Wainwright, for many years manager of the Bank of Nova Scotia here, has retired from banking and is now one of the nominated members of the legislative council.

He was a very honored figure at the Canadian Club party given for the Canadian Trade Mission at the Acadia Club, the collection of residences and "dormitories" provided by the Bank of Nova Scotia for its male clerks, most of whom come from Canada. Located perhaps five miles from the city on the lower slope of the mountain, the Club is a year-round home and country club and the boys all ride down to work in a bus.

W. J. Palmer, an Englishman, has been manager here for the Sun Life Assurance for about 25 years. Two other veteran Canadian residents are Thomas Cree, district manager of the Canadian National Steamship Lines and E. C. Battersby, manager here for the Texas Oil Co.

A Tough Job

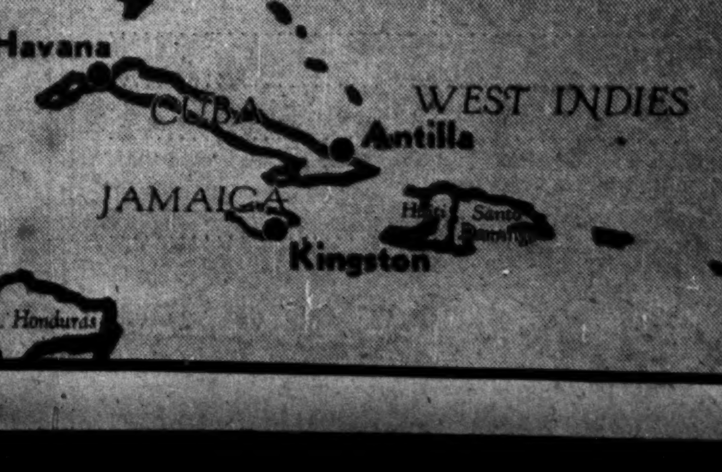
War Controller No. 1 in Jamaica is a forceful Englishman who drinks enormous quantities of water and whose horn-rimmed glasses keep slipping down his nose.

He came here first as a microbe hunter. Now he is the great bogey man of government, the man who interferes with people's way of life, their business and their habits. He is F. E. V. or "Jamaica" Smith, wartime price controller, giver and denier of licenses for the import and export of all types of commodities, a large figure in foreign exchange control operations and dictator of the banana and citrus fruit industries. He's the key figure in applying to Jamaica the machinery of wartime economics. In a colony as small as this, where he must daily live and move among the people whose toes he must step on, he has a super tough post.

His wife, from Salisbury, England, had a torpedoed ship sink under her and her three young sons shortly after outbreak of war. Rescued and taken back to England, after paddling around in the water with her six-year-old boy, she caught the first available ship and started off for Jamaica again.

At the Myrtle Bank Hotel where I am staying, there are a good many officers in white or khaki uniforms in the dining room and the bar. But with the dazzling exception of a young silver-blonde with an apparently endless New York ward-

(Continued on page 10)



Pulp and Paper Industry

Newsprint Mills Ending Big Year

Production and Shipments to End Of November Near Peak Levels

From Our Own Correspondent

MONTREAL. — Canadian newsprint production and shipments counterbalanced each other during November. According to the Newsprint Association of Canada and the Newsprint Service Bureau, output totalled 282,344 and shipments 286,739, making for a net reduction of about 4,400 in mill stocks. In the previous month production exceeded shipments by 22,000 tons.

There was no appreciable change in the marketing of newsprint last month. Domestic shipments totalled 15,855 tons, a slight increase over the same month last year and less than 600 tons under that for the preceding month.

Sales Hold Up

Sales in the United States showed a small increase, aggregating 219,524 tons for the month, as against 213,705 tons in October and 220,469 tons in November, 1939.

One of the principal factors for the good showing in November was the performance of shipments to overseas markets. Last month deliveries totalled 51,360 tons. This is in excess of the monthly average for the year to date and almost the same figure as reported for November, 1939, when there was an abnormally heavy movement due to demands created by war conditions.

Setting New Records

Cumulative production at Canadian mills for the first 11 months this year totalled 3,165,906 tons. This is larger than output for all of last year and compares with 2,628,610 tons for the 11 months period.

Indications at this stage are that 1940 production will be the second largest on record, or about 200,000 tons less than in 1937. However when it is considered that part of the output in 1937 was due to an abnormal demand by United States publishers in anticipation of a price increase, it would be fair to say output and shipments this year will constitute an all-time record.

Shipments to the end of November aggregated 3,159,477 tons, a figure greater than for all of 1939 and 1938, and comparing with 2,596,582 tons in the January-November period of 1939.

Breakdown of Markets

A breakdown of shipments for the 11 months ended November, 1940, with comparative figures for 1939, follow:

(11 Months to November)	1940	1939
Domestic	168,192	172,910
United States	2,372,456	1,990,694
Overseas	611,829	432,978
Total	3,159,477	2,596,582

Newfoundland Ahead

Newfoundland's record this year has been even more impressive than that chalked up by the Canadian mills. The two Island mills produced 31,254 tons in November—a figure near the peak for any month of the current year and about 1,000 tons greater than in November, 1939.

Shipments last month totalled 26,605 tons, a drop of nearly 5,000 tons from the previous month and 4,200 tons under that for November last year.

A breakdown of the Island's shipments for last month shows the United States took 17,123 tons, or 2,700 tons more than a year ago. On the other hand shipments to the United Kingdom and overseas markets amounted to only 9,403 tons, as against 17,164 tons in October and 16,288 tons in November, 1939.

To the end of November Island mills produced 339,368 tons of newsprint paper. This compares with 253,449 tons in the like period of 1939. Of even more significance is the fact that the current output already is well ahead of that reported for all of 1939 and 1938.

Big Gain U. S. Sales

The change in marketing of Island newsprint, brought on by the war, has been most marked. This year to date 149,724 tons have been sold in the United States. This is nearly double the amount shipped in the same period of 1939 and is greater than reported for any other full year on record.

Open New Markets?

Shipments to the United Kingdom this year aggregate 188,990 tons, a gain of more than 20,000 tons over the like period last year.

A breakdown of the overseas figures is not available. Indications are, however, that no material change has taken place in deliveries to the United Kingdom, but sales to South America and other countries have moved up substantially.

U. S. Mills Active

American mills continued on their usual course during November, producing 85,338 tons and shipping 87,331 tons—all to the domestic market.

For the first 11 months this year the U. S. mills turned out 932,600 tons and shipped 928,897 tons. This compares with 861,606 and 866,790 tons, respectively, for the like period of 1939.

One interesting feature of the United States newsprint mill operations this year is that production will exceed 1,000,000 tons. Such a record has not been set up for the industry in many years.

Stocks of all North American manufacturers declined 1,739 tons and amounted to 254,204 tons at the end of November. During 1938 and 1939 there were corresponding reductions of 23,495 tons and 2,142 tons respectively.

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START OF ANOTHER SEASON

Woods operations of Canadian pulp and paper operators this year will be on as large a scale as a year ago. Increased demand created by the war and the need of bringing in more United States funds for financing the war effort, have made of the industry an important figure in the Dominion's export trade. Photo shows operations on one of Canadian International Paper's limits in Quebec.

Abitibi Hearing Recesses to Jan.

Closing Sessions Hear From Sturgeon Falls and Howard Ferguson

The Royal Commission enquiring into the affairs of Abitibi Power & Paper Co. has adjourned its sittings until Jan. 6, 1941. In the short 3-day session held last week more representations were heard.

Zotique Mageau, former mayor of Sturgeon Falls and ex-M.L.A., told the commission that closing of the Sturgeon Falls mill of Abitibi was chiefly responsible for the serious plight of a large portion of the town's population. As late as this fall, 2,655 out of a total population of about 5,000 were on relief.

He charged that both the Sturgeon Falls and Espanola plants of Abitibi had been purchased for the purpose of eliminating them both to give more effective control of newsprint prices. He maintained that "there is no doubt that if the plant had remained as a single unit it would have been producing the newsprint today and for many years to come, as the timber concessions on the Sturgeon River and its tributaries are practically inexhaustible."

He took issue with statements that the company's buildings were in a dilapidated condition. He asked that the plant be given to Sturgeon Falls municipality, along with the water power and timber limits, and maintained that it could be utilized in some way before long.

Further reorganization plans were submitted, including some by J. Ernest Guite, Perce, Quebec, and T. Kelly Dickinson, Montreal.

Ferguson on Stand

G. Howard Ferguson, president of the Crown Life Assurance Co and chairman of an independent committee for Abitibi, outlined steps which he and the late Thomas Bradshaw had taken in an effort to get some action for Abitibi.

A conference was held between the Ontario Government, Mr, Bradshaw, and H. J. Symington, but no progress was made, Mr. Ferguson reported.

Mr. Ferguson referred to a meeting with E. A. MacNutt, vice-president and treasurer of the Sun Life Assurance Co., largest holders of Abitibi bonds. Mr. MacNutt told Mr. Ferguson that his company would consider favorably any reorganization scheme which would give satisfaction. But no progress could be made with Mr. Symington in efforts to effect a compromise.

Mr. Ferguson emphasized the desirability of having Abitibi carry on, maintaining that he was thinking of the credit of the province.

GREAT WEST SADDLERY PAYS

A dividend of 75 cents per share on the 6% first preferred stock has been declared by the Great West Saddlery Co., payable Jan. 2, 1941, to shareholders of record Dec. 26. Following this payment, arrears will remain unchanged at $1.50 per share. share.

Quebec Puts Tax On Pulpwood

From Our Own Correspondent

MONTREAL. — The Quebec Government has issued an order imposing a levy of 10 cents a cord on all wood cut within the timber limits of the province and manufactured into pulp and paper, whether in or outside of Quebec. The levy applies to cutting operations in the 1940-41 season.

The purpose of this tax, which will net the province over $200,000, is to provide a fund for training technicians, engineers and workmen for exploitation and development of the province's forests and other natural resources.

I. P. & P. Plan Halted By Action of S. E. C.

From Our Own Correspondent

MONTREAL. — The S.E.C. has halted plans of International Paper & Pawer Co. for refunding funded debt. It is believed that the company will now not be able to forward any substitute plans until well into 1941.

If the authority had been received by the company, International Paper 5% obligations would have been called Jan. 1 and a 6% issue called for retirement on March 1. Since 30 days notice of call is required on the 6% issue, it would be necessary to make the call late in January. This would require hasty action by both the company and the S.E.C.

A number of alternative methods of procedure are now available to the company. One of these would be private placement of the issue. It is not believed, however, that this will be done.

Intl. P. & P. Reduces Preferred Arrears

From Our Own Correspondent

MONTREAL. — International Paper & Power Co. has declared a regular dividend of $1.25 a share for the fourth quarter and $1.25 a share on arrears of the 5% preferred stock. Both disbursements are payable Dec. 28, to shareholders of record Dec. 20. These payments will reduce arrears on the stock to $11.25 a share.

No action was taken on International Paper Co. dividends. International Paper & Power Co., however, agreed to pay any of the remaining holders of International Paper Co. 7% preferred, $2.50 a share against assignment of that amount accrued on the stock.

Consolidated Paper Plans $50,000 Addition

MONTREAL.—Consolidated Paper Corp. has completed plans for construction of a $50,000 addition to its Wayagamack Division plant at Three Rivers to be used for storage and distribution. The work will be undertaken by a local contractor and completed early in the new year.

De Havilland Pays $7 on Preferred

War Activities of Company Bring First Dividend Since 1931

Dividend of $7 a share has been declared on the preferred stock of the de Havilland Aircraft of Canada, payable Dec. 28, 1940, to shareholders of record Dec. 16. After this payment arrears will remain unchanged at $61.25 a share.

This will be the first dividend paid by this company since March 15, 1931. The dividend has been earned for the past two years and 1940 earnings are expected to reach a new peak for the company as a result of its participation in Canada's war effort. Need to build up working capital has been a major factor holding back payments over the past couple of years.

Consumers' Gas Sales Higher

Company Sees Long Term Threat in Tax on New Appliances

Consumers' Gas Co. of Toronto reports sales in the year which began Oct. 1 appreciably higher than in the corresponding period a year ago. Colder weather has made the gain in the last few days as much as 10%. The higher excise tax on newly manufactured gas and electric appliances may affect the long-term outlook for the appliances business, company officials state.

E. J. Tucker, general manager, states the company has no intention of making representations to the Government regarding this tax. With a normal inventory on hand, neither the company nor its customers are immediately affected. The situation becomes more serious over the longer term as domestic output is the backbone of the company's business and customers may be faced with difficult problems if it eventually becomes impossible to replace equipment.

Newsprint Mills Operate at 78.3%

From Our Own Correspondent

MONTREAL.—Canadian newsprint mills operated at 78.3% of rated capacity during November, according to the Newsprint Association of Canada. This contrasts with 79.4% for the same month last year.

For both October and November the operating ratio dropped below that for the same months last year. On a cumulative basis, however, operating ratio this year runs well ahead of 1939. Indications are that it will be the highest since 1937.

West Indies Offer Market

(Continued from page 9)

here; said it was so bad that they even felt sorry to have to feed it to prisoners in internment camps. Bacon sales have increased.

Flour is Jamaica's largest import. Strict import licensing has just gone into effect against Canadian flour, restricting imports to 10,000 bags a month. This is to be used for blending with softer wheat flour from the Argentine.

Such is the arrangement at the moment, but there are indications that this flour business is yet far from settled.

Canada's fish business is better because this is a big fish-eating country and former imports from United States and Alaska have been cut off.

In manufactured goods, import restrictions hit many Canadian items, especially some items in which the content is more than 50% U. S.-made, such as some refrigerators.

Jamaican businessmen are particularly incensed on that point. A story here is to the effect that a builder was ordered by the import-export license department to buy steel in Canada. A lot of faces were red when the steel eventually arrived marked "Bethlehem." Another businessman here mentioned a fairly recent buying trip to Canada in which he ordered a very sizeable amount of costume jewellery and wares of that type in Canada. Because it was made in the United States, he was not permitted to import it to Jamaica. "If Canada can import it why can't we," is the plea. To which officials would probably reply, that this double import business could readily lead to serious abuse and frustration of the whole economic control.

While import control when imposed against Canadian produces may incense some Canadian firms, and work hardship on some Jamaica distributors, Canadians at least should remember that our trade with United Kingdom is climbing high—very close to a figure representing our total export trade of recent years.

What Can Canada Buy?

What can Canada buy more of from Jamaica to broaden and strengthen the trade between these two areas?

Eat more bananas is the simple answer, for bananas are the biggest single business in this country. Since we Canadians have been eating fewer bananas in recent years of indifferent business conditions, a substantial increase is expected with the bigger buying power of the Dominion.

Through the British Ministry of Food the Canadian Sugar Administrator is already buying very extensive amounts of Jamaican sugar, the second major enterprise here. And Jamaicans have not failed to notice with concern the growing sugar-beet industry in Canada, nor the interest with which the province of Quebec is reportedly looking into the prospects of establishing a sugar beet industry there.

Since almost every Jamaican businessman is a foreign trader, he is not impressed with the wisdom of thus further limiting the products that can enter into trade.

Citrus Fruits

Citrus fruits—oranges, grapefruit, limes—are another great enterprise on this island. Though economic factors virtually rule out great expansion in some of these lines and for all parts of Canada, it is hoped that Canada will offer a more generous preference at some times of the year and that there can be some expansion here.

Canada already takes a large proportion of the island's very important coffee crop.

What are the longer term prospects for increased trade between the two countries.

Greater readiness of Canadian firms to meet local preferences of style and local need in manufactured consumer goods is a point mentioned by several businessmen. And it is this market—the things people wear, use in their homes and business—that now seems to hold out the best prospect for development.

Much of the very cheap merchandise for sale to natives has come from China and is of a cheapness that Canada could never hope to equal, British engineering standards prevail, hence the relatively small demand for machinery—chiefly for sugar factories—will probably remain with the United Kingdom. The precipitous nature of much of the farm land is unsuited for Canadian type farm machinery.

But in the tangle of war, prediction of future prospects is not useful.

Post Visitor To Jamaica

(Continued from page 9)

robe, a famous woman enthusiast for deep-sea fishing, Mrs. M. L. Hasler, who has what is considered the most super fishing boat in the Atlantic, and the usual dear, if unglamorous, habitues of resort hotels, this place is far indeed from its usual social whirlery.

Harry Donahue, expert and energetic host, is a little glum about prospects at the moment. Wartime fuss about passports and exchange, he blames a lot. On top of that he puts reduction in steamer service to the island and Pan American Airway's recent move sending only two planes a week, instead of four, a decision forced partly by traffic, even more so by their shortage of pilots.

Residents are complaining about the heat—around 90—which is apparently much for this time of year, but it lasts for only a couple of hours around lunch. Mornings and afternoons are remarkably refreshing.

At night the veranda of the Liguanea Club (golf, tennis, polo) which is a few miles back on the slope of the mountain, is almost as cool as a Canadian fall.

Jamaica is poor in money to spend on enticing tourists here, but it certainly offers comforts of body and belly, and native color in the town that make it one of the few remaining refuges for body, mind and heart in a frenzied world.

Ordinarily the Jamaica tourist trade is about the third largest business after bananas and sugar. Because of war restrictions on travel, a very drastic reduction in passenger ships, this £500,000 annual trade has been seriously hit. Some plans are being made for easing the exchange difficulty, but whether they can be put through is still in question.

War Reduces Markets For Asbestos Corp.

From Our Own Correspondent

MONTREAL.—Loss of important European markets is expected to be reflected in less favorable operating results for Asbestos Corp. in the current year.

Three of the company's mines, King, Beaver and Vimy, are currently operating at fairly high levels. Production was suspended at the British Canadian Mine in September and the mine has remained closed since.

It is expected that exports to the United States next year will be increased because of better industrial activity, but these shipments will consist quite largely of less profitable short fibres.

MUNICIPAL HONOR ROLL

Five Years of Progress by Local Government

JOLIETTE, QUE.

Joliette, Que., is the thirty-first in a series of municipalities included in The Financial Post Honor Roll for 1940.

These municipalities are those which are considered to have shown stability over a period of years, or in the recent years have made outstanding progress in improving their financial standing. No attempt is being made to run these in sequence of merit or size.

Joliette has become the most important industrial centre in the Laurention region of Quebec. More than 60 industries are located in the municipality manufacturing a wide range of products.

This diversification has cushioned fluctuation in employment to a large extent and stabilized municipal finances. Collection of current taxes has been steady although not spectacular.

Debenture debt was comparatively small and the last issue of debentures of the city was sold on a favorable basis. In the past two years nothing has been expended for unemployment relief.

Statistical Picture

	1939	1938	1937	1936	1935
Population	12,781	12,510	12,467	12,227	11,978
Assessment, taxable in ($000's)	5,130	5,107	5,054	4,985	4,939
Assessment per capita $	401.38	408.21	405.39	407.72	412.44
Tax rate %	1.15	1.15	1.00	1.00	1.00
Tax collections:					
Curent collections to curr. levy %	69.62	69.43	73.05	65.44	67.58
Current & arrears to curr levy %	86.50	97.41	104.79	107.56	113.38
Gross debenture debt (in $000's)	1,095	1,190	1,165	1,148	1,111
Less: sinking fund	196	313	293	273	255
Net debenture debt	899	877	872	876	856
Net deb. debt per capita $	70.30	70.07	69.97	71.61	71.51
Other liabilities	24,000	31,000	21,000	nil	nil
Relief expenditures funded	nil	nil	11,240	17,304	1,077
Relief met out of curr. rev.	nil	nil	16,719	13,490	8,717

Last Debenture Sold

$74,500—3½%, 20-year debentures sold at 96.20 Nov. 15, 1930, to yield approximately 3.77% to maturity. Proceeds used for permanent works.

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ITEM:

"Man bites dog" — jobs seek men!

The ill wind of war has blown good to the consumer market of Toronto in the matter of re-employment. The classified columns of The Evening Telegram each day carry an ever-increasing number of advertisements of employers seeking men. This reversal of conditions, since the depression period, will accelerate as the vast production programs gain momentum. Already the resulting increase in wages has greatly enhanced consumer buying-power and retail sales in the Toronto market are rising steadily. Newspaper advertising, at this time, should be broadened and intensified, and

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THERE'S SOMETHING ABOUT IT YOU'LL LIKE

Investing in Wartime

Policy Modified to Suit New Year

Ideas Submitted Late in 1939 Revised in Light of New Developments — Experts Again Stress Need for Continuous Supervision and Recommend Certain Sales and Purchases

Goodwin R. Harris

Not a prize-winner last year, Mr. Harris is a partner in the Toronto Stock Exchange member firm of Seagram, Harris & Bricker.

During this first year of war our investor has had to meet problems that have been far from normal in the effort, not only to gain capital appreciation, but to preserve his capital.

Since this investor has not been more fortunate with his investments than the majority of others, he shows some depreciation in values, on account of investing at top market prices. Plenty of time haas elapsed for new conclusions to be gained and action taken. The present war has proved the fallacy of some of the earlier opinions and, therefore, he is now ready to effect some changes in his list.

It has now been decided to make sale, at current levels, of these stocks.

100 Beauharnois
100 C. P. R.
100 Dominion Steel & Coal, B
100 Dominion Woollens, pref.
100 Massey-Harris
25 National Steel Car
100 Niagara Wire Weaving
50 Royalite

The position of the portfolio, along with retention of previous holdings and including purchases, would provide the following list:

10 Bell Telephone
50 B. A. Oil
25 Canada Packers
25 Can. Canners, B
50 Dom. Foundries & Steel
100 Dome
50 Hudson Bay
75 Loblaw, B
25 McIntyre
50 Moore Corporation
25 Noranda
100 Shawinigan
25 Steel of Canada
100 Union Gas
200 Wright-Hargreaves
400 Kerr-Addison
250 Macassa
500 Malartic Goldfields

The total income from the revised portfolio would be increased by $285.00, or a yield over all of 4.04% on the investment.

This businessman investor feels he has improved his position by the changes made, which will provide him with a larger income than the original plan and with wider diversification. The total portfolio retains the opportunity for profit should markets improve.

ORIGINAL PORTFOLIO
Bonds

$		1939 Oct. 28, Cost $	1940 Oct. 31, Value $
10,500	Dominion, '42	10,421	10,589
2,000	N. S. Steel, '63	1,781	1,680
1,000	Gen. St. Wares, '52	1,010	985
1,000	Massey-Harris, '54	955	915
1,000	Lake St. John, '61	885	890
		15,051	15,059
	Common Stocks		
	Steels:		
Shares:			
25	Steel of Can.	2,182	1,862
50	Dom. Found.	1,962	1,200
100	Dosco, B	1,720	975
	Foods:		
25	Can. Packers	2,557	2,181
75	Loblaw, B	2,044	1,875
25	Can. Canners, B	354	256
	Utilities:		
100	Shawinigan	2,420	1,825
100	Beauharnois	700	575
100	Union Gas	1,570	1,550
	Oils:		
50	B. A. Oil	1,160	900
50	Int'l. Pete.	1,384	725
50	Royalite	2,012	1,112
	Golds:		
100	Dome	2,925	2,300
25	McIntyre	1,468	1,369
	Base Metals:		
25	Noranda	1,981	1,469
50	Hudson Bay	1,738	1,400
	Papers:		
100	Niagara Wire Weaving	2,675	2,600
	Equipments:		
25	Nat. Stl. Car	1,795	1,094
100	Massey-Harris	812	325
	Rails:		
100	Can. Pacific	712	500
	Textiles:		
100	Dom. Woollens, pref.	663	700
		34,836	26,794
		49,887	41,853

C. K. MacGillivray

Not a prize-winner a year ago, Mr. MacGillivray is a partner in the accounting firm of Chagnon & MacGillivray, Hamilton.

Sound preferred stocks with participating or convertible features would appear to be at least equal to bonds as a stabilizing influence in an investment portfolio. In addition, they have the advantages of a higher interest yield and of a hedge against inflation. These facts are borne out by the results of my entry in the "Investing in War Time Contest" reviewed after the elapse of one year. My portfolio has shown a higher capital value, and also a higher income return than any entry mentioned in The Financial Post prior to December, 1940. (Actual income in year ended Oct. 31, 1940, is stated to have been $2,884, including 5% premium on dividends paid in U. S. funds.) Furthermore, my list has increased appreciably in market value since Oct. 31, 1940.

War and Taxes

In my opinion the course of the war and the extent and nature of Government reguation and taxation will be the chief influences affecting investments for the next year. As regards the course of the war, it is difficult to prophesy, particularly inasmuch as most public prophets on this continent have been decidedly wrong so far. Nevertheless, it does seem probable that during the first six months of 1941, Britain will be in an inferior strategical position, and there will be enough adverse war news in the early future to discourage any great volume of stock market purchases.

The extent and nature of government regulation and taxation are beginning to become clarified. It is now apparent that no large increases in corporate profits may be expected. Dividend increases by Canadian public corporations will be discouraged, as also will be purchases of luxuries and imported goods. The savings of the public will be heavily absorbed by higher taxes, war savings certificates, war loan bond issues and increased living costs. Meanwhile, bond interest rates will be maintained at a low level, and any tendency toward a price rise in necessary commodities will be restrained within reason. The above conditions will reduce buying interest in the stock market, and therefore I expect common stocks to sell lower than present levels some time in the near future.

Present changes in my portfolio would include the sale of Page Hersey, Canada Packers, International Petroleum and Distillers Seagrams common; and I would be inclined to hold the proceeds in the bank while waiting for a more opportune time to buy. If I were required to invest these funds at the present time, I should place them temporarily in the following preferred stocks, all of which provide a high dividend return and some possibilities of appreciation: Dominion Tar & Chemical, General Steel Wares, Distillers Seagrams, and Canadian Wirebound A. In reality, it is important to make changes in such a portfolio as soon as the advantages are indicated, and not just at the end of each 12 months.

One reason for the exclusion of bonds from my list is that, on theoretical grounds, the businessman would be interested in them indirectly through his life insurance policies, bank balances, and the invested surpluses of the companies in which he owned shares. Nevertheless, in practice it is felt that a true Canadian investor for patriotic reasons would place a substantial part of his investment funds in war loan bonds.. The defeat of Nazism would be the best safeguard possible in preserving his capital.

		Cost Oct. 16, 1939 $	Value Oct. 31, 1940 $
	Industrials:		
Shares:			
100	Dom. Foundries, com.	3,550	2,425
35	Can. Celanese, pref.	3,990	4,305
25	Page-Hersey	2,700	2,700
	Foods:		
200	Fanny Farmer	4,575	5,350
150	Loblaw, B	3,975	3,712
35	Geo. Weston, pref.	3,097	3,115
25	Canada Packers	2,500	2,125
	Mines:		
50	Noranda	3,775	2,938
50	Inter. Nickel	2,425	1,837
50	Consol. Mining	2,550	1,950
75	Asbestos Corp.	1,809	1,163
	Oils:		
100	B. A. Oil	2,312	1,800
100	Inter. Petroleum	2,800	1,450
	Sundries:		
30	Moore Corp., A	5,040	5,370
250	Distillers- Seagrams, c.	4,500	6,250
		49,598	46,490

S. E. Nixon

Not a prize-winner, Mr. Nixon is statistician with Dominion Securities Corp., Montreal.

War conditions have prevailed for over a year. Political and economic developments abroad and at home have shattered many basic expectations held in Oct., 1939. In short, war has proved to be a prolific producer of unexpected events.

A war of long duration now seems certain, a condition suspected, with less conviction, last year. Canada is being geared to total war. Next to Great Britain we are now the most important country at grips with the Axis war machine. A year ago, our participation, in character and degree, was less ambitious. Statistics of production, employment, government expenditure, and taxation bear eloquent testimony to the steadily increasing stature of our war effort.

Two Conclusions

The Financial Post of Nov. 16, 1940, sets out the present market value and income produced by several of the Oct., 1939, contest portfolios. Two conclusions are inevitable. First, none of the financial prophets visualized accurately, the pattern of stock and bond prices, particularly the former, which has unfolded since Oct., 1939. Second, on the rather doubtful assumption that portfolio holdings would have remained unaltered throughout the year, it is evident that investment of capital in a bank deposit, with or without interest, would have shown better results than any of the portfolios reviewed.

What is the environment for investment today?

The politcal situation abroad is saturated with uncertainty and an early return to peace seems very unlikely. In the economic sphere, production, employment, commodity prices, government expenditure, taxation, corporate profits, and, the cost of living seem headed toward higher levels. Inflation of the kind to cause acute concern to investors is still a shadow in the background of possible future conditions rather than the substance of current problems.

Increased business taxation, in particular the excess profits levy, has impaired the intrinsic worth and dividend paying prospects of all shares and has removed much of the speculative appeal from equity investments in companies with a rising earnings trend. Further, the prospective large-scale repatriation of Canadian securities held by British investors exercises some depressing influence on domestic security prices. Interest rates are firm, due primarily to the easy money policy of the Government.

Instruments of Investment

The instruments of investment management are first, high-grade short-term bonds and other cash equivalents; second, long-term high-grade bonds and very high-grade preferred stocks; and, third, "earnings-dependent" securities, that is, common stocks, and bonds and preferred stocks not of the highest grade. At the present time, I believe our investor should concentrate about 80% of his capital in high-grade short-term bonds and an interest bearing bank deposit, and the balance in a diversification of bonds and preferred stocks in the "earnings-dependent" group. This policy is essentially short term in outlook and defensive in character. Stress on aggressive policy seems unwarranted until there is a considerable improvement in the ratio between risks and probable rewards. Finally, our investor as a citizen of Canada has, in addition to other considerations, a moral responsibility to place a portion of his capital at the disposal of the Government through subscriptions to war loans. Moneys for this purpose may be obtained as required from the sale of short-term bond holdings.

Following is a suggested portfolio which gives effect to the policy set out in the preceding paragraphs:

Bank Deposit and Short-term Bonds

Amount $		Value Holding $	Annual Income $
4,000	C.N.R., 2% '42	4,040	80
5,000	Dominion, 3% '42	5,150	150
10,000	Dominion, 2½% '43	10,250	250
10,000	C.N.R., 3% '44	10,400	300
10,000	Bank deposit, 1½%	10,000	150
39,000	Totals	39,840	930

"Earnings-Dependent" Securities

$		Value Holding $	Indicated Annual Income $
2,000	Alberta, 4% '54	1,240.00	40.00
1,000	Can. S.S. L., 5% '57	980.00	50.00
1,000	D. Stl. & Coal, 6¼ '55	1,090.00	62.50
1,000	Fraser Cos., 6 '50	1,000.00	60.00
1,000	L. St. John, 5½% '61	910.00	55.00
Shares			
10	Algoma Steel, 5 p.	905.00	25.00
10	Can. Cement, 6½% p.	1,007.50	50.00
35	Dominion Coal, 6% p.	735.00	52.50
10	Distillers Seag., 5% p.	965.00	50.00
10	Gen. Stl. Wares, 7% p.	940.00	70.00
10	St. Law. Paper, 6% p.	410.00	nil
	Totals	10,182.50	515.00

Original Portfolio

		Cost Oct. 30 1939 $	Value Oct. 31 1940 $
	Shorter Terms		
$10,000	C.N.R. Gtd. 3% '42	10,075	10,050
10,000	Dominion 2½% '43	10,200	10,200
5,000	C.N.R. Gtd. 3% '44	5,137	5,162
	Sec. Grade Obligations		
2,000	Alberta 3% '47	1,440	1,360
2,000	Can. Steam. 5% '57	1,865	1,930
2,000	Donnacona 4½% '56	1,650	1,560
2,000	Maple Leaf Milling	1,540	1,500
33,000	Total loan invests.	31,907	31,762
Shs.			
	Basic Industrial Materials		
50	Asbestos Corp., com.	1,212	787
20	Consol. Mining, com.	1,008	800
70	Dom. Steel & Coal, c.	1,190	683
25	Inter. Nickel, com.	1,250	925
45	Inter. Petroleum, com.	1,260	652
	Processors Essential Foodstuffs		
65	Canada & Dom., com.	2,145	1,885
20	Canada Packers, com.	2,040	1,765
50	Ogilvie Flour, com.	1,750	1,225
	Cyclical Profit Industries		
5	Canadian Industries, B	1,186	1,105
15	Dom. Foundries, com.	600	360
30	Ford Motor, A	705	331
50	Gen. Steel Wares	550	331
30	Howard Smith, com.	570	420
30	Maclaren P. & P., com.	600	510
10	Massey-Harris, pref.	577	340
10	National Steel Car., com.	725	437
15	St. Lawrence Paper, pref	705	652
	Total equity investments	18,074	13,396
		49,981	45,158

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Chile Bonds

What is the current market on 6% Chile bonds, maturing 1961? What interest payments have been made recently and what are the prospects for future distributions?

Current market quotations on the 6% Republic of Chile external sinking fund bonds, due Feb. 1, 1961, is about 11-12. Last interest payment on these bonds was 2.09¼% paid in 1939. No payments have been made this year. Prospects for future distributions are not too encouraging.

The Latin-American countries in general have a difficult road to follow for the balance of the war. They have been hit by the loss of European markets, particularly German and Italian trade—normally a major portion of overseas business.

The United States has announced a plan for the purchase of Western Hemisphere surpluses and this will tend to ease, although hardly likely relieve completely, the burden. There are signs some South American countries may find it increasingly difficult to balance international payments, and this, in turn, will jeopardize prospects for interest payments.

Encouraging factor is the Export-Import Bank set up by the United States. This is exerting an influence favorable to the resumption of debt service. The Bank is authorized to make Latin-American loans, but not until defaulters arrange some form of adjustment on old obligations. This influence is regarded as the prime factor in the partial payment made last year by Chile.

Godfrey Realty

What are the details of the reorganization of Godfrey Realty Corp? What hopes are there of the 4% bonds rising in price to par?

A reorganization of Godfrey Realty Corp., Montreal, was effected in 1937, whereby all defaults up to and including the date when the plan became effective were waived. Holders of the former 6% first mortgage bonds, due June 1, 1942, received the same principal amount of new 4% bonds, due June 1, 1952. In addition, they received one new common share for each $500 of bonds held.

Chances of these bonds ever reaching par are pretty slim, with present quotations about 48-50. A very substantial increase in revenue would be necessary before this could happen, and according to the income statement for the year ended April 30, 1940, the company operated at a net loss of $14,232 after paying bond interest and providing for depreciation.

Riverside, Ont., Bonds

The proposed settlement of the debt of Riverside, Ont., does not seem to me worth considering. What do you think?

Admittedly, the plan for settlement of the defaulted debenture debt of Riverside, Ont., is not a very generous one, when looked upon in the light of the original investment. On the other hand, if sufficient debenture holders oppose the plan so as to block it, they will still be in the position whereby nothing is obtained from their original investment. Adoption of the plan would mean, at least, a small payment for the next five years. The plan already has been approved by a committee of debenture holders, who only arrived at their decision after a thorough study of the town's financial position. Furthermore, the largest debenture holders — namely the institutional type of investors—are in favor of the plan.

Riverside is one of four municipalities in the Windsor area, the debenture holders of which in each case have received almost identical plans. The more generous of the four plans have been those of Riverside and LaSalle. The LaSalle plan already has been approved by debenture holders, as is also the case with Sandwich East and Sandwich West. It remains only now for Riverside debenture holders to give approval for that plan also to be carried through.

It should not be overlooked that Riverside has been in a serious financial position for a decade. It is one of the better suburban residential areas of Windsor, with no industries and depending therefore almost entirely upon the prosperity of Windsor. During the latter part of the 1920 decade the city over-expanded—built streets, sewers and many other improvements which to this day have not been used.

Tiger Tire & Rubber

Has preferred stock of Tiger Tire & Rubber Co. any value?

The Tiger Tire and Rubber Co. went into bankruptcy about 1924 and the affairs of the company were in the hands of a liquidator until about 1926. Standing ahead of the preferred and common stock was a $150,000 bond issue. After creditors' claims were satisfied, it is understood little was left for the bondholders, and it is to be presumed the preferred and common stock is worthless.

Phoenix Elevator

What happened to the equity of the holders of 6% bonds of Electric Elevator & Grain Co.?

Electric Elevator and Grain Co. is now known as Phoenix Elevator Co. It did not operate from 1935 to 1937, but leased its elevator at Fort William in Aug., 1938, for a small rental. It is understood the lease runs until July, 1941. The rental is large enough to cover taxes and carrying charges but leaves no margin for interest. Interest and sinking fund payments have been postponed indefinitely. It is understood the company's elevator is in use now for grain storage. There is no bid for the bonds, nor is there any immediate prospect of interest payment.

Holdings in U.S.

Most of my stock holdings are in U.S. companies. Is there any immediate danger of Ottawa ordering the sale of these and if so what would be the probable means of payment? Would Canadian holders receive the rate of premium existing at the time such stocks were sold?

You probably noticed when Hon. J. L. Ilsley introduced the tax and tariff changes to Parliament recently, he referred to the Government policy regarding mobilizing its resources of U.S. dollars.

He said that first the Government would try to cut down imports of non-essential products from the United States before it resorted to taking over United States securities held by Canadians. We understand also that present Government policy would be to resort to seeking loans in the United States before taking this step.

This does not alter the fact that it is quite possible necessities of war would compel the Government to take over these holdings. Some months ago, Great Britain took over holdings of American securities in that country and has been steadily liquidating these ever since. More recently, a substantial list of Canadian securities held in Great Britain was also taken over and has been pretty well disposed of in this country.

Judging from British precedent, which probably would be followed closely in this country in the event that such drastic action was taken, Canadian holders would be paid the equivalent in Canadian funds of the American price for their stocks on the particular date set for the transaction. It is quite probable that attempts would be made to persuade Canadians to reinvest the proceeds in Canadian bonds, but it is not expected that any compulsion would be used.

Windsor Court Apts.

What are the prospects of Windsor Court Apts. 6% bonds rising in price to par?

There appears to be little chance of the 6% first mortgage bonds of Windsor Court Apartments, Ltd., Windsor, maturing in 1942, ever reaching par. The present quotation is around 24-27, and an improvement would be necessary in the company's position, which cannot be foreseen at this time, before the bonds would come anywhere near par.

The company has been suffering from declining revenues in recent years, profit before interest being $9,608 in 1937; $7,928 in 1938; $3,199 in 1939; and the revenue for the first nine months of 1940 being about on the same level as in 1939. The company requires about $22,800 annually to cover interest requirements and is falling substantially behind this figure. As a result, interest payments are in arrears as from June 1, 1936, after payment made on Coupon No. 118, on Dec. 1.

Asbestos Corp.

We would like to secure some information on the outlook for Asbestos Corp. Ltd. Any material which you can send along will be greatly appreciated.

Sales of Asbestos Corp for the first half of 1940 were satisfactory, exports comprising about 98% of the business. Current outlook, however, is uncertain. Elimination of European markets has entirely changed the situation in the industry, compared with the early part of the year. Britain remains a good customer for raw asbestos and the potential U. S. demand could do much to offset the curtailment of operations now facing the industry. Use of asbestos is largely of a peacetime nature, but extends to some extent into equipment used in war. It is rather difficult to indicate the likely trend of operations and earnings next year because of one's inability to appraise the many factors involved.

International Power Co. Pays on Preferred

From Our Own Correspondent

MONTREAL.—International Power Co. has declared a dividend of $1.75 a share for the last quarter of 1940 on the 7% cumulative first preferred stock, payable Jan. 2 to shareholders of record Dec. 14. This makes a total distribution for the year of $6.50, as against $6 in 1939, and leaves arrears unchanged at $31.25 a share.

New Building

WAR PROJECTS

Large air training or defense projects covered by recent contract awards of the Department of Munitions & Supply include the following:

R.C.A.F. station, Debert, N.S., steel construction, $285,000.

R.C.A.F. station, Debert, N.S. wood construction, $349,000.

Equipment depot, Winnipeg, heating systems, $108,000.

R.C.A.F. landplane and seaplane base, Dartmouth, N.S., $106,000.

Elementary flying training school, Boundary Bay, B.C., wood construction, $210,000.

Currie Barracks, Calgary, steel construction, $101,000.

Service flying training school, Claresholm, Alta., wood construction, $700,000.

Aircraft plant unit for MacDonald Bros., Winnipeg, steel and brick construction, $232,000.

Aircraft plant, Vancouver, to be operated by Boeing Aircraft of Canada, $1,355,000.

Reported by Engineering & Contract Record:

Dominion Bridge Co. has been given contract for supply and erection of structural steel for depot overhauling project at Dartmouth, N.S.

Empire Brass Manufacturing Co. has awarded general contract to Pigott Construction Company for two-story plant addition, 65 by 87 feet, at London, Ont.

Continental Can. Co. plans a $500 extension to its plant at St. Laurent, near Montreal, in the spring.

Coca-Cola Co. of Canada is having plans prepared for first unit of its large new bottling plant at Vancouver. The first unit will cost about $250,000.

Canadian Marconi Co. is adding to its plant in Mount Royal, Montreal suburb, at cost of between $60,000 and $70,000.

Bank of Canada has awarded contract at $40,000 for addition to its headquarters building at Ottawa.

Dominion Engineering Works Ltd. has let preliminary contracts for erection of $100,000 building at Longueuil, near Montreal.

No Need Seen For Default By Vancouver

Bond Dealer Says 1940-44 Maturities Can Be Met

From Our Own Correspondent

VANCOUVER. — Opposition to suggestions that interest rates on Vancouver's debenture indebtedness be reduced is expressed by A. H. Williamson, resident director of Wood, Gundy & Co. Mr. Williamson believes, instead, the city should revise its fiscal policies with a view to strengthening confidence of investors.

Even during a period of depression Vancouver made good progress in improving its financial position, Mr. Williamson contends. The city is steadily reducing its obligations. From Jan. 1, 1934, to Dec. 31, 1939, gross funded debt combined witth floating debt, less the value of the sinking fund, declined by nearly $6 millions. In addition, the city in the period from Jan. 1, 1938, to Dec. 31, 1939, reduced its current and capital account bank loans by $1.4 million, a total debt reduction of $7.4 millions.

Better This Year

The experience for 1940 will be even better because of the new division of unemployment costs. There is less unemployment in Vancouver anyway this year. Mr. Williamson estimates that the total reduction in the city's debt in the last five years and 10 months amounts to $8.8 millions.

The fact remains, however, that the city is not nearly meeting its obligations to sinking fund, which is in arrears on an actuarial basis to the extent of $15 millions. Mr. Williamson regards this as a serious matter, and states that the shortage is larger than that of any other Canadian city because of Vancouver's policy of paying the entire cost of unemployment relief out of current revenue.

If in the five years ended last Dec. 31 Vancouver had adopted the policy of most other Canadian cities the gross debt would have been $4.6 millions greater than it is now, while the sinking fund shortage would have been reduced by that amount plus substantial interest earnings on that sum.

Can Meet Maturities

However, if the city carries on in future on the same basis as in the past five years, no difficulty should arise in connection with meeting maturing obligations for another decade, while in 1940-44 inclusive the city will retire $11.4 millions of debt. It would still have at the end of 1944 about $6 millions of marketable assets in the fund, quite apart from long-term Vancouver bonds.

"No group of bondholders would willingly agree to any suggestion that the interest rate on Vancouver's debt should be reduced," says Mr. Williamson.

"Vancouver should do everything it can to secure the confidence of people with money to invest," suggests Mr. Williamson. "Such a policy would bring additional industry to Vancouver, some of which undoubtedly has been frightened away by the defeatist talk which has taken place . . . Other Canadian cities have a very much better credit than Vancouver, and personally I do not think their underlying position or their future prospects justify such a situation."

CANADIAN SECURITIES

Dominion and Provincial Government Bonds
Municipal Bonds
Public Utility and Industrial Financing

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

J. P. LANGLEY & CO.
C. P. ROBERTS, F.C.A.
Chartered Accountants
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LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED
5-YEAR DEBENTURES ISSUED
Deposits and Debentures (31 Dec., 1939), $11,793,464
Capital (Fully Paid), $2,000,000
Reserve Fund, $2,400,000

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchange

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

Quotations: •1939. *1938.
▲ On account of arrears. ♦ Paid in 1940.
b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1940. ■ Participating.
†Interim. ‡Paid or declared payable in 1940 to date.
*Plus stock div. of $1.50.

Mining Stocks

Week Ending December 16

Par Val.	Range 1940 High	Low	Company	Sales	Close Dec. 9 (or last	High for week	Low for week	Close Dec. 16
			A					
No	.38	.10	Aldermac	9,500	.15	.18	.15	.15½
1	.06½	.01	Amm. Gold	2,500	.01½	.01½	.01½	.01½
No	3.00	1.30	Anglo-Huronian	273	2.51	2.60	2.55	2.60
No	.40	.25	Argus Interests	......	(.30 bid	.35 asked)		
No	.03	.01	Arno	......	(.... bid	.01½ asked)		
1	.17	.04	Arntfield	34,600	.08	.08½	.07½	.07½
1	.07	.02	Ashley	1,500	.05	.05	.05	.05
1	.05	.02	Astoria Quebec	27,750	.04	.05	.03½	.04
1	2.68	.90	Aunor Gold	5,032	2.15	2.20	2.10	2.20
			B					
1	.18½	.02	Bagamac	23,577	.11	.18½	.11½	.15½
1	.28	.05	Bankfield	5,794	.07½	.07½	.07	.07½
No	.33	.07	Base Metals	7,600	.10	.11	.10	.10
1	.09½	.02½	Bear Exploration	11,500	.06½	.08	.06½	.07½
1	1.25	.70	Beattie Gold	3,950	1.17	1.18	1.16	1.17
1	.13	.03½	Beaufor	......	(.07 bid	.10 asked)		
1	.80	.80	Berens River	......	(.80 bid	1.00 asked)		
1	.52½	.10	Bidgood Kirk.	47,100	.12	.12½	.11	.11½
1	.14	.02	Big Missouri	550	.05½	.05½	.05½	.05½
1	.11½	.03½	Bobjo	10,700	.07½	.07	.06½	.07
1	.04½	.02	Bouscadillac G.M.	......	(.02½ bid	.03½ asked)		
No	11.25	7.25	Bralorne	950	10.25	10.75	10.00	10.75
1	.06	.01½	Brazil Gold	3,000	.01½	.02½	.02	.02
1	.01½	.00½	Brett Trethewey	2,550	.00½	.00½	.00½	.00½
1	.94	.28	Broulan Porc.	57,350	.92	.94	.89	.92
1	8.70	2.75	Buffalo Ankerite	750	4.40	4.50	4.25	4.25
No	.04½	.01½	Buffalo Can.	2,000	.03	.02½	.02½	.02½
5	23.50	10.00	Bulolo Gold	550	14.50	17.12	17.00	17.00
No	.03½	.01	Bunker Hill	......	(.01½ bid	.03 asked)		
			C					
No	.90	.30	Can. Malartic	1,300	.51	.52	.51	.52
1	2.67	1.65	Cariboo Gold	......	(2.20 bid	.... asked)		
1	.02½	.01	Cartier Malartic	5,500	.01	.02	.02	.02
1	.75	.45	Castle Trethewey	2,525	.50	.55	.50	.50
1	.20	.05	Cen. Cadillac	......	(.05½ bid	.09 asked)		
1	2.55	1.45	Cen. Patricia	4,050	1.98	2.05	1.92	1.93
1	.14	.03	Cen. Porcupine	4,400	.11½	.11½	.10	.10½
1	.21	.08	Century Mining	1,000	.15	.16	.16	.16
1	1.52	.41	Chesterville	67,244	1.40	1.52	1.40	1.42
No	.58	.15	Chromium	2,600	.20	.19	.17	.17
1	1.00	.30	Cochenour Willans	18,350	.92	.95	.88	.90
5	2.20	.50	Coast Copper	200	1.00	1.05	.95	1.05
5	1.70	1.25	Coniagas	200	1.50	1.70	1.70	1.70
No	1.98	1.00	Coniaurum	9,655	1.54	1.70	1.50	1.70
5	49.00	28.50	Cons. Smelters	1,790	39.50	40.25	38.50	39.75
			D, E					
1	1.35	.50	Delnite	1,500	1.00	.99	.99	.99
1	.08½	.03	Denison Nickel	1,000	.03½	.03	.03	.03
No	29.50	16.00	Dome Mines	783	25.00	25.50	24.75	25.00
1	.04½	.01½	Dorval Siscoe	......	(.01½ bid	.02 asked)		
1	.03½	.00½	Duparquet	......	(.01 bid	.02 asked)		
1	.12½	.02	Duquesne	28,500	.09½	.10½	.09	.09
1	4.10	1.95	East Malartic	37,105	2.90	2.96	2.70	2.75
1	1.25	.20	Eldorado	58,550	.39	.54	.38	.44½
			F, G					
No	5.05	1.70	Falconbridge	3,400	2.30	2.35	2.25	2.25
1	.06½	.01½	Federal	16,200	.05½	.05½	.05	.05½
1	.07	.01	Fernland	7,800	.03	.04	.03	.03½
No	.70	.19	Francoeur Gold	10,450	.44	.43	.40	.42
1	.10½	.03½	Gillies Lake	1,500	.04½	.04	.04	.04
1	.02½	.01	Glenora	......	(.01½ bid	.02½ asked)		
No	.69	.25	God's Lake	13,133	.42	.42½	.39	.40
1	.23	.08	Goldale	4,000	.16	.17	.16	.16
50c.	.32	.20	Gold Belt	200	.28	.32	.32	.32
1	.26	.05	Gold Eagle	200	.07½	.07	.07	.07
1	.22	.07½	Golden Gate	28,600	.14	.14½	.12	.13
1	.02½	.00½	Goodfish	4,000	.02	.02½	.01½	.01½
1	.03½	.01	Graham Bosquet	13,500	.01½	.02	.02	.02
No	.07	.02½	Grandora	1,000	.05½	.05½	.05½	.05½
1	.04	.02	Grull Wihksne	......	(.01½ bid	.04 asked)		
1	.64	.31	Gunnar Gold	8,700	.37	.38	.36½	.36½
			H, I, J					
1	.03½	.00½	Halcrow Swayze	35,700	.02½	.02½	.02	.02
1	.03½	.00½	Halliwell Gold	......	(.01½ bid	.... asked)		
1	8.00	4.50	Hallnor	2	5.10	4.50	4.50	4.50
1	1.48	.54	Hard Rock	11,240	1.11	1.16	1.10	1.12
1	.10	.03	Harker	500	.04	.04½	.04½	.04½
1	.57	.30	Hedley Mascot	......	(.56 bid	.... asked)		
5	15.00	9.50	Hollinger	3,724	13.00	14.00	13.00	13.00
1	.40½	.20	Howey Gold	8,300	.29	.29	.27	.29
No	34.00	19.50	Hudson Bay	1,696	24.75	27.50	24.75	25.75
1	.45	.13	Inspiration	1,500	.27	.29	.27	.29
1*	9.87	7.00	Inter. Mining	......	(.... bid	.... asked)		
No	47.00	27.50	Int. Nickel	3,057	34.63	34.75	34.00	34.00
50c.	1.09	.65	Island Mountain	......	(.78 bid	.85 asked)		
1	.05	.01	Jacola	833	.02	.02	.02	.02
1	.42	.13	Jack Waite	17,200	.25	.28	.23½	.27
1	.19	.01	Jellicoe	11,000	.02	.02½	.02	.02
1	.04½	.00½	J. M. Cons. Gold	2,000	.01½	.01½	.01	.01
1	.08½	.01½	Joliet Quebec	1,000	.01½	.01½	.01½	.01½
			K, L					
1	3.75	1.20	Kerr Addison	33,777	3.60	3.75	3.55	3.65
1	.45	.20	Kerr Lake	......	(.20 bid	.39 asked)		
1	.07	.02	Kirk. Gold Rand.	......	(.02 bid	.05 asked)		
1	.32	.10	Kirk. Hud. Bay	......	(.15 bid	.... asked)		
1	1.54	.70	Kirkland Lake	15,522	1.02	1.03	.99	1.00
1	.18	.06½	Kirk. Townsite	1,500	.08	.08	.08	.08
1	32.00	15.25	Lake Shore	1,080	19.63	19.87	19.25	19.37
No	7.25	4.75	Lamaque Gold	225	4.75	5.00	4.85	5.00
1	.22½	.05	Lapa Cadillac	30,900	.07½	.10	.08	.09½
1	.05½	.01	Lebel Oro	......	(.01½ bid	.01½ asked)		
1	.88	.41	Leitch Gold	11,300	.54	.58	.53	.58
No	3.40	1.71	Little Long Lac	3,155	2.15	2.15	2.10	2.10
			M					
1	4.80	2.25	Macassa	12,570	3.85	4.35	3.70	4.15
1	2.74	1.00	MacLeod Cockshutt	3,875	2.35	2.45	2.30	2.32
1	.70	.20	Madsen Red Lake	22,950	.67	.67	.65	.65
1	1.45	.54	Malartic Gold	30,950	1.21	1.23	1.13	1.14
No	.13½	.03	Mandy	......	(.08 bid	.10 asked)		
No	.01½	.00½	Man. & Eastern	1,500	.00½	.01	.01	.01
1	.04½	.00½	Maralgo	500	.01½	.01½	.01½	.01½
5	58.00	37.25	McIntyre	579	51.00	53.00	51.00	52.50
1	1.47	.85	McKenzie R.L.	13,125	1.20	1.32	1.21	1.25
1	.15½	.04	McVittie Graham	100	.07	.06½	.06½	.06½
No	.58	.20	McWatters	10,900	.27	.27	.25	.25
5	.39	.39	Mentor Exploration	......	(.12 bid	.49 asked)		
No	1.33	.40	Mining Corp.	9,350	.80	.92	.85	.90
1	.05	.05	Moffatt Hall	......	(.... bid	.... asked)		
1	.93½	.36	Moneta	12,840	.51	.60	.54	.60
1	.08	.02	Morris Kirk.	12,000	.02½	.02½	.02½	.02½
1	.03½	.01	Murphy	58,500	.02½	.03½	.02½	.03½
			N, O					
1	.37½	.12	Naybob	91,493	.33	.33½	.31	.33
No	.04½	.01	Newbec	......	(.01½ bid	.02 asked)		
1	.09½	.05	New Golden Rose	......	(.... bid	.04 asked)		
5	1.45	.75	Nipissing	1,310	1.04	1.26	1.03	1.38
No	78.75	42.75	Noranda	1,866	57.00	60.00	57.00	59.50
No	.62	.20	Nor. Canada	1,000	.48	.50	.50	.50
1	.06½	.02	Norgold	......	(.04½ bid	.04½ asked)		
1	.61	.15	Normetals	800	.30	.35	.35	.35
1	9.85	6.25	Northern Empire	5	7.45	6.25	6.25	6.25
1	1.82	.80	O'Brien	22,285	1.14	1.22	1.11	1.15
1	.34	.10	Omega	3,100	.15	.15	.15	.15
1	.10	.03½	Osisko	......	(.... bid	.06 asked)		

Oil Quotations

Par Val.	High	Low	Company	Sales	Close Dec. 9	High	Low	Close Dec. 16
No	.03	.01½	Madison	......	(.01½ bid	.02½ asked)		
No	.04½	.00½	Marjon Oil	3,000	.01½	.02½	.02½	.02½
No	.15	.05½	McD. Segur Ex.	......	(.05½ bid	.07 asked)		
No	.07½	.03	Mercury	500	.04½	.04½	.04½	.04½
No	.07½	.04	Mill City Pete	......	(.04 bid	.... asked)		
1	.31	.12	Model	150	.20	.15	.15	.15
25c.	.08½	.04	Monarch Royal	......	(.04 bid	.05½ asked)		
25c.	.21	.05	National Pete	......	(.05 Nov. 9)			
1	.05	.04	Nordon	......	(.05 bid	.... asked)		
No	1.31	.58	Okalta	100	.70½	.70	.70	.70
No	.06½	.03	Pacalta Oil	......	(.04 bid	.... asked)		
1	.42	.19	Pacific Petroleum	780	.25	.27	.25	.27
25c.	.21½	.08	Prairie Royal	500	.08	.08	.08	.08
No	.19½	.08	Royal Canadian	6,000	.09	.09	.08½	.08½
No	.10½	.05	Royal Crest	......	(.07½ Sept. 25)			
No	36.00	17.50	Royalite	......	(21.00 bid	.... asked)		
No	.07½	.03	South End	......	(.03½ May 16)			
No	.60	.21	Southwest Pete	......	(.20 bid	.30 asked)		
1	.06	.02	Spooner	......	(.04½ Dec. 4)			
25c.	.38	.11½	Sunset Oil	1,000	.12	.12	.12	.12
No	.09	.03½	United	2,000	.04½	.04½	.04½	.04½
No	.07	.03½	Vanalta	3,000	.06	.05	.05	.05
1	.63	.23	Vulcan	......	(.30 bid	.45 asked)		
No	.05	.02	West Flank	......	(.02 Nov. 9)			

*Quotations for 1939.

Winnipeg Stocks

(Transactions from Dec. 9 to Dec. 14)

	Sales	High for period	Low for period	Close Dec. 14
Dominion Envelope, pref.	5	98.00	98.00	98.00
Great-West Life	1	210.00	210.00	210.00
Great Falls M. & S.	1,000	.02	.02	.02
Western Breweries	50	1.80	1.80	1.80
Western Steel	30	9.50	9.50	9.50
United Grain Growers	24	9.00	9.00	9.00
Wingold	18,850	.08¾	.08	.08
Wings	200	.25	.25	.25

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	Federal Grain, p.	30	..
Beav. Lumber, c.	..	4	Home Invest.	15	..
Do., pref.	99	100	Nor. Can. Mtg. p.	8	..
Can. Airways	1	..	Nor. Trusts	7	..
Can. Indemnity	150	..	Traders Bldg.	43	..
Cres. Cream., pf.	12	15	West. Grain, p.	..	8
Dom. Envelope, c.	7	..			

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Dec. 17	9,600	18,400	350,000	......
Dec. 16	7,800	13,700	325,000	19,991
Dec. 14	4,400	9,500	178,000	10,700
Dec. 13	8,000	33,300	383,000	9,650
Dec. 12	9,300	18,000	260,000	43,185
Dec. 11	9,500	12,100	285,000	15,119

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Dominion of Canada Bonds
Dec. 18, 1940

%	Due	Bid	Ask.	Approx. Yld.
1	Mar. '41	99¾	100¼	.30
5	Nov. '41	103½	103½	1.04
1½	May '42	100¼	100¾	1.07
2	June '42	100¾	101¼	1.06
3	Oct. '42	102¾	103¼	1.20
3½	June '43	102½	102¾	1.41
5	Oct. '43	108½	109½	1.64
2	June '44	100¾	101¼	1.63
a2½	Jan. '44	92½	93½‡	4.53
4½	Oct. '44	108¾	109½	1.92
2½	Nov. '44	102	102¾	1.77
a2½	Aug. '45	91½	92½‡	4.29
4	Oct. '45	105½	106½	b1.73
4½	Feb. '46	109¾	110¾	2.35
3½	June '49	102½	103	b2.66
3½	Oct. '49	102½	103½	b2.60
3½	Nov. '51	100¾	101½	b3.04
3½	Feb. '52	101	101¾	b2.98
a5	May '52	99¾	‡100¾	b4.42
4	Oct. '52	105½	106½	b2.90
3	Oct. '52	98½	99	3.10
3	June '55	98½	99	3.09
4½	Nov. '56	107½	107¾	b3.04
4½	Nov. '57	107¾	108½	b3.12
3	June '58	97½	98½	3.13
4½	Nov. '58	108¾	109½	b3.13
4½	Nov. '59	109½	110½	b3.17
a4	Oct. '60	92	93‡	4.54
a3½	Jan. '61	82½	83‡	4.49
3½	June '66	100	100¾	b3.19
a3e	Jan. '67	80½	81½‡	4.19
a3e	Nov. '68	80½	81½‡	4.14
†3	Perpet'l.	88¾	89½	3.35

Dominion Guarant'd Bonds
Can. Nat'l. Railways:

%	Due	Bid	Ask.	Approx. Yld.
2	Feb. '43	100½	101½	1.41
2½	Jan. '48	99¾	100¾	2.12
3	May '44	103½	104	1.77
3	Dec. '50	99	100	3.00
3	Feb. '53	97½	98½	3.12
3	Jan. '59	97	98	3.15
*4½	Sept. '51	114½	115½	2.82
*4½	Feb. '56	114½	115½	3.20

%	Due	Bid	Ask.	Approx. Yld.
4½	July '57	115	116	3.24
*4½	June '55	116½	117½	3.23
5	Feb. '54	116½	117½	3.34
*5	July '69	114	115	b1.99
*5	Oct. '69	118½	119½	b3.00
*5	Feb. '70	118½	119½	b3.05
	Grand Trunk Pacific Rly.:			
3	Jan. '62	98½	99½	3.08
	Provincial Gov't. Bonds			
	New Brunswick:			
3	Oct. '51	88	90	4.14
3½	Aug. '49	90½	91½	4.40
3½	June '56	89	90½	4.35
c4	Nov. '47	97	99	4.17
c4½	Apr. '61	99½	101½	4.39
c5	Jan. '60	104	106	4.53
	Nova Scotia:			
3	Jan. '52	92½	94½	3.61
3½	June '56	93½	95	3.88
3½	Nov. '50	98½	100	3.50
c4½	Sept. '52	106	107½	b3.25
c4½	Nov. '60	107	108½	3.88
c5	Mar. '60	112	114	3.96
	Ontario:			
2½	May '45	100	101	2.26
3	Apr. '48	99	100	3.00
3	Nov. '50	98½	99½	3.09
3½	Nov. '51	99¾	100¾	b3.15
3½	May '55	99¾	100¾	b3.20
*4	June '62	106	108	3.47
4½	June '50	109½	110½	2.21
*4½	Jan. '62	113	115	3.48
5	Oct. '48	111¾	112¾	3.15
*5	Dec. '60	119½	121½	3.50
5½	July '46	112	113	2.96
	Ont. Hydro Commission:			
3	Aug. '48	99	100	3.00
3½	Feb. '53	99½	100½	b3.19
3½	Apr. '47	102	103	2.98
	Prince Edward Island:			
3	Oct. '45	95	97	3.69
	Quebec:			
3	Nov. '47	94½	95½	3.74
3½	Mar. '48	95½	96½	3.80

%	Due	Bid	Ask.	Approx. Yld.
3½	Mar. '59	92½	94	[illegible]
3½	Feb. '55	97	98	[illegible]
4	Mar. '52	99	100½	[illegible]
4½	Aug. '58	100½	102	[illegible]
4½	Jan. '63	103½	105	[illegible]
	Alberta:			
4	Dec. '54	60	64	d
4½	Oct. '51	68	..	d
c4½	Oct. '56	62	66	d
*5	Oct. '59	65	69	d
c5½	Apr. '52	69	73	d
6	Mar. '47	71	75	d
	British Columbia:			
c4	Dec. '57	97	101	[illegible]
*4½	Jan. '51	100½	104½	[illegible]
c4½	Oct. '53	100½	104½	[illegible]
c5	Apr. '54	104	108	[illegible]
5½	Feb. '45	103	107	[illegible]
6	Feb. '47	104	108	[illegible]
	Manitoba:			
c4	Dec. '57	89	93	[illegible]
c4½	Dec. '56	92	96	[illegible]
*5	Dec. '59	97	101	[illegible]
5½	Oct. '55	98	102	[illegible]
6	Apr. '47	100	104	[illegible]
	Saskatchewan:			
4	Sept. '54	75	79	[illegible]
4	Nov. '60	73	77	[illegible]
c4½	Oct. '51	84	88	[illegible]
c4½	Mar. '60	78	82	[illegible]
5	Aug. '58	85	89	[illegible]
5½	Oct. '52	88	92	[illegible]
6	Mar. '52	91	95	[illegible]

*–Payable Can., N.Y. and £. b–Calculated to call date giving lowest possible yield. c—Payable Can. & N.Y. a—Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e—Callable at a premium. ‡-N.Y. funds.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Dec. 17, 1940

Industrials:	Bid	Ask.		Bid	Ask.		Bid	Ask.
Acme Farm. D.	28	30	Morrison Br. un.	3½	6	Brit. Amer.	51	56
Andian National	27½	28½	M'row Screw, p.	99	..	Canadian Fire	79	..
Anglo C. Tel., A	8½	8¾	Do., com.	9	..	Confed. 30% pd.	136	140
Atlas Steel	18½	21	Neilson, Wm., c.	9½	..	Continental L.	35	..
Barrymore, pfd.	29	..	Do., pfd.	101	..	Crown fully pd.	252	280
Blue T. Brew. A	8½	..	N. B. Tel., c.	14	..	Dominion Fire	136	..
B. C. Pulp, c.	17½	18¾	N. Meth. Ldy., p	52½	58	D. of Can. Gen.	120	125
Do., pfd.	68	72	Niag. L. A. Br.	50	60	Empire 25% pd.	51	61
B. C. Sugar	73	76	Ont. Tobacco, p.	14½	16	Excelsior 36% pd	65	..
B. C. Tel., 1st p.	110	115	Pac. C. Term., c.	9	11	Federal 25% pd.	51½	58
Burns & Co., A	2¾	3¾	Paterson, Wm. p	101	..	Great-West Life	200	212
Do., B	1	2½	Prov. Paper, pfd	105	107	Halifax Fire	17½	19
Can. Col. Air.	3½	4	Ruddy, E. L. p.	21	25	Imperial Life	287	305
Can. Co-op. Wl.	6½	8	Seal O Sac (Can.)	1	2½	Manufac. Life	228	..
Can. Cr. Stone p	22	..	Stand. Fuel, p.	59	65	Monarch Life	33½	..
C. I. L., A c.	215	..	Stedman, pf. $50	56	59	Sov. L. 25% pd.	12½	15
Can. Ing. Rand	76	80	Tor. Carpet, c.	30	..	Sun Life	320	350
Can. Mot. L.A.B.	2¾	..	Do., pfd.	60	64	Tor. General	5	8
Can. Tube, 1st p	80	..	Un. F. Co-op.	2½	3½	Wellington Fire	58	..
Chase, A. W., p.	17½	20	Un. Steel, A pf.	22½	23½	Western Assce.	41	44
Claude Neon, p.	3	6	Viceroy Mfg., p.	23½	25½	**Theatre Stocks:**		
Colonial Steam.	16½	17½	Do., com.	11½	15½	Allens, Kings. p	61	66
Dom. Manuf., p.	60	65	**Trusts & Loan Stocks:**			Do., London p	51	56
Dunlop T. p. $25	23	24½	Brit. Mtge.	130	..	Do. St. Cath. p	51½	55
Easy Wash. p $10	10	11	Capital Tr.	26	30	Do., Tor. p.	31	35
Goderich Elev.	8½	9½	Com. Fin., c.	2½	3	Mansf. Theat., p	26½	30
Guard. Realty, p	15	18	Grey & B.Tr. $50	43	47	Para. Kitch., p.	50	55
Guelph Carp., p	104	..	Guaranty Trust.	97	102½	Do., Oshawa, c	9	11
Do., com.	19	..	Guelph & O. $50	50	55	**Investment Trust Shares:**		
Gurney Fdry., p	1½	1½	Lambton Loan	30	..	Can. Investors	5½	6
Hayes Steel, c.	9½	10½	London & West.	..	37	Deb. & Sec., pf.	60	..
Hi'land Dairy, p	46	55	Sherbrooke Tr.	120	..	Sec's. Hold., pf.	18	20
Homewood San.	105	120	Sterling Trust	56	..	United Corp., A	21	..
Inglis, John, c.	5½	7	Traders Fin. A c	10½	11½	Do., B	4½	5½
Ingram & Bell	21	25	Do., A pfd.	93½	97	**Power Issues:**		
Kingston Sh. un	25	..	Trusts & Gr., new	50	54	Can. W. N. Gas	25	..
Loblaw Inc., c.	12½	13½	Victoria Trust	75	83	Do., pfd.	102	..
Minn. O. Pap.	4	4½	**Insurance Stocks:**			Gt. Lakes Pr., p	101½	103½
			Canada Life	382	400	Mtl. Is. Pwr. p.	21	..
						Nor. Ont. Pr., p	70	80

Unlisted Mines

Toronto, Dec. 17, 1940

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Acordia	.20	.23	Desants n	.23	.25	Martin Bro	.03½	.04½	Pelangio	.02	.03
Addington	.01	.02	Dona Pat	.01½	.02½	Margaret	.10	.11	Polaris	.11	.14
Albany R (Old)	.10	.12	E Lacoma	.00½	.01	Mata Cana	.03½	.05½	Private'r	.53	.56
(New)	.22	.25	Elmos	.07½	.09	Mat Cons	.18	.21	Propri'y	2.55	2.70
Amal Kir	.10½	.11½	Franco	.28	.33	Mof Hal n	.01½	.02½	Presdor	.05½	.06½
Anoki	.04	.05	Galore	.03½	.04½	Monarch	.01½	.02½	Queb Mn	.06	.08
Aquarius	.25	.28	Gan Cop	.14½	.16	Mooshla	.01½	.02½	Rahn Lke	.01½	.02½
Arjon	.04	.04½	Gate Pat	.00½	.01	Mosher	.06½	.07½	Rand Ml	.10	.12
Armistice	.10	.12	Gilbec	.00½	.01	McGregor	.02½	.03½	Fed Lake	.01½	.02½
Argosy	.08½	.08¾	Gordon L	.00½	.01	Nat Mal	.53	.56	Sachigo	2.85	3.25
Area	.03½	.04½	Hiawatha	.04	.05	Negus	.80	.87	Senore	.08	.09½
Arno	.00¾	.01½	Hoyle nw	.34	.36	New Roy	.00½	.01	Shenango	.02	.02½
Athona (Old)	.01	.03	Hugh PaP	.09	.10½	New Aug	.35	.38	Sheldon	.03½	.04½
(New)	.03	.04	Hutch Lke	.01½	.02	Nickel O	1.00	..	Siscoe Ex	.01½	.02½
Barb Lard	.03	.03½	Jason Mns	.51	.54	Norbeau	.25	.30	Skynner	.05½	.06½
Bilmac	.00¾	.01½	Keora	.01½	.01¾	Norlake	.01	.03	Smelters G	.01½	.03
Bonetal	.50	.53	Kenricia	.01	.02	Norwin	.02	.05	Spooner	.02	.04
Brock	.41	.43	Kewaga'a	.01½	.02½	Northland (1940)	.11½	.12½	Sunbeam	.03½	.05
Buff Bear	.01½	.03	Kiena	.05	.07	Oklend	.08	.09	Springer	.16½	.18
Calder Bo	.02	.04	Kirk Gate	.01	.02	O'Leary	.01½	.02	Stadacona	.07	.08
Central M	.02¾	.03½	Lacoma	.00¾	.01½	Opemiska	.02½	.04	Thomson	.12	.14
Cheminis	.03½	.04	Lardego	.01	.01½	Oriole	.00½	.01	Thomp Cd	.02	.04
Coin Lake	.03½	.05	Lake Duf	.20	.23	Orpit	..	.01½	Treaty P	..	.10
Cons Chib	.04	.07	Lake Gen	.06	.08	Ossian	..	.01½	Union Min	.04½	.05½
Crescent	.01½	.02	Lw Pete	.18	.23	Pascalis	.30	.33	Wasu	.04	.06
Dayton	.01½	.02½	Magnet C	.86	.90	Pontiac R (Old)	.07	.09	West Red	.04½	.05½
Demp Cad	.01	.01½	Manik'u	4.90	5.25				Woco	.03	.04
			Magnet L	.17	..				Y David'n	.23½	.25

Montreal, December 17, 1940

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Cad Exp	.02	.04	Cournor	.19	.21	Obalski	.01½	.03	Westwd C	.02½	.04
Chibmac	..	.02	Dubisson	.15	.17	Pan Can	.05	.07	m...ie4	1.1WKB	
C. Pand'ra	.01½	.03	L Rowan	.04	.05	Scott Ch	.02½	.03½			

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Dec. 17, 1940

Public Utility Issues:	Int. Rate %	Due	Bid Dec. 17	Asked Dec. 17	Bid Dec. 10
†Assoc. Tel. & T.	5½	'55	70½	73½	69
B. C. Power	4½	'60	99½	102½	99
B. C. Tel.	4½	'61	105	...	105½
†Calgary Pwr.	5	'60	105½	108½	106
Do.	5	'64	102	...	102
†Can. Nor. Pwr.	5	'53	103½	106½	104
*Dom. Gas & El.	6½	'45	101½	104½	101
Gatineau Pwr.	5	'49	102	105	102
*Do., A	3½	'69	97	100	96
Gt. Lakes Pwr.	4½	'56	98½	101½	98½
*Int. Hydro-E.	6	'44	66½	69½	66
▲Inter. Power	6	'55	100½	...	100
Macl'n-Que. Pr.	4	'59	96½	99½	96
Mtl. L. H. & P.	3½	'56	101	104	100
Do.	3½	'73	98	101	97½
†Mtl. Tramways.	5	'41	93½	96½	93½
†Do.	5	'55	63½	66½	63
Nat. Lt. & Pwr.	6	'49	99	102	100
N. S. Lt. Pr.	4	'57	100½	103½	100½
Ottawa H. & P.	4	'57	101½	104½	101
Ottawa V. Pwr.	5	'59	101½	104½	102
†Power Corp.	4½	'59	96	99	96
Quebec Pwr.	4	'62	100	103	100
*Saguenay P., A.	4½	'66	108	...	108
♦Do., B.	4½	'66	106	109	105
Shaw. W. & P.	4	'61	101½	104½	101
Union Gas	4½	'50	102	105	102
†United Secs.	5½	'52	60	63	61
Wpg. El., ser. A	4	'65	69½	72½	69
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	67½	70½	69
Acadia Sugar	4½	'55	101	...	101
†Alta. Pa. Grain	6	'46	97½	101½	98
Atlantic Sugar	4	'51	99½	...	99½
†B. C. P. & Pap.	6	'50	90	93	90
*Brown Co.	5½	'46	51	54	52
Burns & Co.	5	'58	58	61	58½
Canada Bread	6	'41	100½	103½	101
Canada Cement	4½	'51	103	106	103
Can. Paper	4½	'52	100	...	99½
Can. Steamship	5	'57	97	100	97
*Can. Canners	4	'51	100½	103½	100½
*Can. Int. Paper	6	'49	101½	104½	101½
C. P. R.	3½	'51	88	91	88
Do.	4	'49	92½	95½	92
Do.	4½	'44	98	101	98
Do.	6	'42	103	106	103
†Consol. Paper	5½	'61	69½	72½	70
*Dom. Coal	4½	'52	100½	103½	100½
Dom. Stl. & Co.	6½	'55	108	111	108
Dom. Tar	4½	'51	100½	103½	101
†Donnacona P.	4½	'56	75½	78½	76
Famous Players	4½	'51	100	103	99½
†Federal Grain	6	'49	97½	100½	98
†Fraser Cos.	6	'50	97	100	97
Gen. Stl. Wares	4½	'52	98½	101½	98½
*Great L. Paper.	5	'55	93	96	93
†Gypsum, Lime	5½	'48	99	102	99
Ham. By-Pr. C.	5	'55	101½	...	102
Inter-City Bak.	5½	'48	100	...	100
*Inter. P., Nfld.	4½	'68	89½	93½	90
Lake St. J. P.	5½	'61	89½	92½	89½
Maple Leaf M.	3	'58	74	77	74½
Massey-Harris	4½	'54	93½	96½	94
McColl-Fron.	4½	'49	100½	103½	101
McCormick's	4	'52	96½	99½	96½
Mercury Mills	5	'59	91½	94½	91
*M. & O. Paper	6	'45	52½	55½	52½
Nat. Grocers	4	'47	100	...	100
N. S. Stl. & Co.	3½	'63	84	87	84
Price Bros.	6	'57	97	100	97½
*Prov. Paper	5½	'47	103	...	104½
Reliance Grain.	4½	'52	94	...	94
†Restigouche Co.	6	'48	96	99	96
Rolland Paper	4½	'51	101½	104½	101½
Simpsons Ltd.	4½	'51	100½	103½	100½
Smith, Howard.	4½	'51	103	106	103
*United Gas	5½	'48	103	...	103
United Gr. Grs.	5	'48	96	100	96
†Western Grain	6	'49	50	53	50

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
▲Payable in Can. or U. K.
*Payable in U. S. only.
♦Payable in Canada only.

Supplementary Bond and Stock Quotations

Furnished by Plaxton, Cherry & Co. Toronto

Dec. 17, 1940

Miscellaneous Bonds:	Int. Rate %	Due	Bid Dec. 17	Asked Dec. 17	Bid Dec. 10
†Alg. Cen. H.B.R.	5	'59	7	8	6½
*†B. C. Pulp	7	'50	108	112	107
Can. Electric	4½	'65	96	98	95
†Can Locomotive	6	'53	90	93½	89
†Can. Vickers	6	'47	56	58	55
Col. Steamship.	6	'54	94	96	94½
Dom. Scott. Inv.	4	'52	94	97	93½
Dom. Woollens.	6	'53	96½	98½	96
†Dufferin Pav.	5	'55	51½	54½	51
East. Dairies	6	'49	83	85	81
Galt Brass	3	'50	76½	..	76
Gt. Lakes Pwr.	5	'57	96	98	95
*Gurney Fdry.	5½	'49	69	71	68½
Ham. By-Prod.	6	'56	100½	102½	100½
Ham. Cotton	4½	'50	100	103	100½
Indust. Accept.	4	'52	86½	88½	87
Inv. Bond & Sh.	5	'47	52	54	51½
*Kingston Elev.	6	'50	105½	107½	105½
†L. St. John P&P	5	'61	73	75	70
Legare	6	'61	85½	87½	85
L. St. Law. Pwr	5	'55	97½	99½	97
McCormicks	4½	'52	103	104½	102½
Man. Sugar	5	'60	98	100	97
Moirs Ltd.	6	'53	75½	..	75
†Mtrl. Drydocks.	6	'48	41	44	40½
*M. & O. New (when iss.)	..	..	76	77½	75
†Munic. Bankers	..	..	9½	10½	9½
Price Bros.	4	'57	85	87	86
E. L. Ruddy	6½	'48	100½	103	101
Silv. Dairies	5	'51	102½	105	101½
Silv. Dairies	6	'66	95½	97½	93
Stand. Lime	6	'44	97½	99½	97
Sterling Coal	6	'45	96	99	95½
Stop & Shop	3	'47	61	63	60½
St. Maurice Pr.	4½	'70	101½	102½	101
Twin C. Rap. Tr.	5½	'52	68½	69½	68
United Corp.	5	'53	92	93½	92½
†Wpg. Elec., B	4-5	'65	52½	53½	52

Miscellaneous Stocks:	Bid Dec. 17 $	Asked Dec. 17 $	Bid Dec. 10 $
Blue Top Brew., B	5.85	6.25	5.75
Brown Co., com.	1.25	2.00	1.50
Can. Tube, com.	3.75	5.00	4.00
Can. West. Lumber	.40	.60	.35
Cap. Wirecloth, c.	6.25	9.00	6.00
Do., pref.	18.00	21.00	18.75
Collingw. Term. un.	.85	1.25	.90
Corp. Inv., A	5.80	6.25	5.75
Corrugated Pa'box c	.50	1.00	.35
Dover Ind. Ltd.	7.50	8.15	7.50
East. Bake., pref.	28.00	32.00	28.25
East. Stl. Prods., p.	20.00	21.00	19.75
Hart Battery, com.	6.00	7.50	4.50
Ind. Accept., pref.	82.50	86.00	82.00
Int. Util., 1.75 pref.	12.75	15.25	10.25
Do., 3.50 pref.	32.50	35.50	29.25
Inv. Found. units	42.00	44.00	42.25
Loew's London, p.	2.50	3.50	2.50
Mid. Loan & Sav.	14.00	15.00	14.00
Moirs 6% pref.	18.25	20.00	18.50
Mt. Royal, new c.	2.10	2.75	2.00
Do., old pref.	3.60	4.50	3.50
N. Amer. Elev., p.	50.50	...	50.00
Premier Trust	60.00	63.00	60.50
Prov. Bank	102.25	103.00	102.00
Tr. Fin. Inc., rts.	14.00	15.75	15.25
Trusts & Guar., old	25.00	26.50	25.25
Waterloo Mfg., new	.90	1.50	.90
Waterloo Trust	100.50	103.00	101.25
West Can. Hydro, p.	11.15	12.25	11.00

*Payable U. S. and Can. funds. *Payable U. S. funds only. †Traded without accrued interest.

Municipal Bonds

Dec. 17, 1940

†Halifax	5	1961	110.00	114.00	4.00
Hamilton	5	1950	111.75	112.75	3.30
Montreal	5	1945	96.00	99.00	5.20
Ottawa	4½	1945	106.00	108.00	2.60
†Quebec	5	1959	106.00	110.00	4.21
Saint John	5	1960	102.00	105.00	4.33
†Toronto	4½	1955	110.75	112.75	3.35
†Vancouver	5	1950	98.00	101.00	4.86
Winnipeg	5	1944	101.00	104.00	3.63

†Payable Can. and N.Y.

Investment Trusts

	Bid	Asked
Affiliated Fund	2.69	2.95
Can. Amer. Trust	3.15	3.65
Can. Invest. Fund	3.45	3.80
Grouped Income	...	5.20
Trans-Canada	10.55	11.55

Annual Meetings

Company	Place
20—Harding Carpets	Brantford
16—Manufacturers Life Ins.	Toronto
22—Bank of Nova Scotia	Halifax

Dividends Declared

Company	This payment	Date payable	Date of record
...ew Surpass, p.	$1.75	Jan. [illegible]	Dec. [illegible]
...al. Electric	15c	Dec. 26	Dec. 16
...bestos Corp.	15c	Dec. 31	Dec. 14
Do., bonus	10c	Dec. 31	Dec. 14
...luminium	[illegible]	Jan. 2	Dec. 13
Anglo-Huronian	10c	Dec. 30	Dec. 16
...soc. Brew.	[illegible]	Jan. 2	Dec. 14
Do. Pres., p.	$1.75	Jan. 2	Dec. 14
Algoma Steel, pf.	$2.50	Jan. 2	Dec. 12
Amer. Cyan., A, B	[illegible]	Jan. 2	Dec. 12
[illegible]	[illegible]	[illegible]	[illegible]
Broulan Porc.	[illegible]	Jan. 15	[illegible]
Brant. Cord., p.	32½c	Jan. 2	Dec. 14
Brit. Mortgage	$4	Jan. 2	Dec. 14
Building Prod.	17½c	Jan. 2	Dec. 14
Do., extra	10c	Jan. 2	Dec. 20
Brockville Tr.	62½c	Jan. 2	Dec. 20
Do., extra	37½c	Jan. 2	Dec. 20
Can. & For. Secs.	6c	Feb. 1	Jan. 16
Can. Converters	50c	Jan. 31	Jan. 10
Carnation, pfd.	†$1.25	Jan. 2	Dec. 14
Cent. Can. Loan	$2	Jan. 2	Dec. 16
Canada Bread, pf.	$1.25	Jan. 2	Dec. 16
Do., B. pref.	62½c	Jan. 2	Dec. 16
Can. Celanese	25c	Dec. 31	Dec. 17
Do., extra	40c	Dec. 31	Dec. 17
Do., pref.	$1.75	Dec. 31	Dec. 17
Do., Inc. Fd. rts.	$1	Mar. 15	Dec. 31
Can. Light & Pr.	50c	Jan. 15	Dec. 26
Can. Pac. Rly., pref.	2%	Feb. 1	Jan. 1
Can. Canners	12½c	Jan. 2	Dec. 14
Do., pref	25c	Jan. 2	Dec. 14
Do., participating	5c	Jan. 2	Dec. 14
Do., 2nd pref.	15c	Jan. 2	Dec. 14
Do., participating	5c	Jan. 2	Dec. 14
Canada Cycle	30c	Jan. 2	Dec. 10
Do., extra	20c	Jan. 2	Dec. 10
Do., pref.	$1.25	Dec. 26	Dec. 10
Canada Life	$5	Jan. 2	Dec. 31
Can. Nor. Power	▪25c	Jan. 25	Dec. 31
Do. pref.	▪$1.75	Jan. 15	Dec. 31
Can. Perm. Mtge.	$2	Jan. 2	Dec. 14
Can. Cottons	$1	Jan. 2	Dec. 13
Do., pref.	$1.50	Jan. 2	Dec. 13
Carnation, 1st pf.	$1.25	Jan. 2	Dec. 14
Chartered Trust	$1	Jan. 2	Dec. 16
Consumers' Gas	$2.50	Jan. 2	Dec. 14
Canada Packers	75c	Jan. 2	Dec. 6
Cariboo Gold	4c	Jan. 2	Dec. 3
Do., extra	2c	Jan. 2	Dec. 3
Can. Breweries, pf.	75c	Jan. 2	Dec. 14
Can. Fgr. Invest., p.	$2	Jan. 1	Dec. 15
Canadian Oil, pf.	$2	Jan. 2	Dec. 20
Can. West'ghouse	▪87½c	Jan. 1	Dec. 16
Can. Wire Box, A	37½c	Jan. 2	Dec. 16
Cel. of Am. pr. pf.	†$1.75	Jan. 1	Dec. 17
Do., part. pfd.	†$3.50	Dec. 31	Dec. 17
Can. Gen. Elec.	$2	Jan. 2	Dec. 14
Canada Cement, p.	$1.25	Dec. 20	Nov. 30
Can. Malartic G.	▪2c	Dec. 17	Nov. 28
Can. Indemnity	$3	Jan. 2	Dec. 20
Do., bonus	$2	Jan. 2	Dec. 20
Canadian Fire	$2	Jan. 2	Dec. 20
Confederation Life	$1.50	Dec. 31	Dec. 25
Cons. Smelters	50c	Dec. 31	Nov. 30
Do., extra	75c	Dec. 31	Nov. 30
Can. Indust., A, B	$1.75	Dec. 20	Dec. 14
Do., pref.	$1.75	Jan. 15	Dec. 31
Chartered Trust	$1	Jan. 2	Dec. 16
Cent. Patricia	4c	Jan. 2	Dec. 12
Do., extra	2c	Jan. 2	Dec. 12
Com. Alcohol, pf.	10c	Jan. 15	Dec. 31
Coronation Rylts.	1½c	Dec. 31	Dec. 20
Can. Wineries	15c	Jan. 9	Dec. 19
Cons. Bakeries, ord.	25c	Jan. 2	Dec. 18
Can. South. Rly.	$1.50	Feb. 1	Dec. 27
Canada Trust	$3	Jan. 2	Dec. 14
Can. Bk. of Com.	$2	Feb. 1	Dec. 31
Can. Inger. Rand	$1	Dec. 4	Nov. 15
Do., extra	$1	Dec. 20	Dec. 12
Disher Steel, p., A	‡$1.50	Dec. 24	Dec. 18
de Havilland Air., p.	$7	Dec. 28	Dec. 16
David & Frere, A	25c	Dec. 31	Dec. 16
Dom. Textile	$1.25	Jan. 2	Dec. 14
Do., pref.	$1.75	Jan. 15	Dec. 31
Deb. & Secs., pref.	$2.50	Jan. 1	Dec. 23
Dominion Bank	$2.50	Feb. 1	Jan. 20
Dominion Coal, pf.	38c	Jan. 2	Dec. 14
Dome Mines	▪50c	Jan. 20	Dec. 31
Do.,	▪50c	Apr. 21	Mar. 31
Dom. Foundries, c.	25c	Jan. 2	Dec. 20
Dom. Glass	$1.25	Jan. 2	Dec. 16
Do., pref.	$1.75	Jan. 2	Dec. 16
Dom. Woollens, pf.	▴60c	Jan. 2	Dec. 14
Dunlop Tire	50c	Dec. 27	Dec. 16
Do., pref.	62½c	Dec. 31	Dec. 16
Easy Wash., pf.	17½c	Jan. 2	Dec. 20
Electrolux	†25c	Dec. 23	Dec. 5
East Steel, pf.	25c	Jan. 2	Dec. 16
Eastern Trust	$2	Jan. 2	Dec. 20
Excelsior Life	▪4%	Jan. 2	Dec. 30
Four Star Pete.	1c	Jan. 15	Jan. 2
Famous Players	25c	Dec. 27	Dec. 17
Fanny Farmer	†37½c	Dec. 20	Dec. 5
Do., extra	†25c	Dec. 20	Dec. 5
Ford Motor, A, B	25c	Dec. 21	Nov. 30
Francoeur Gold	▴3c	Dec. 20	Dec. 5
Foundation Co.	25c	Jan. 18	Dec. 31
Foundation Pete.	1c	Dec. 31	Dec. 20
Gatineau Pwr., p.	$1.25	Jan. 1	Nov. 30
Do., 5½% pref.	$1.38	Jan. 1	Nov. 30
Do., com.	20c	Dec. 31	Nov. 30
Greening Wire	15c	Jan. 2	Dec. 16
Gt. L. Pap., A, B, p.	50c	Dec. 31	Dec. 21
Goodyear Tire	63c	Jan. 2	Dec. 14
Do., pref.	62½c	Jan. 2	Dec. 14
Great-West Life	$3.75	Jan. 2	Dec. 20
Goderich Elev.	25c	Jan. 2	Dec. 14
Gt. Lakes Pwr., p.	$1.75	Jan. 15	Dec. 31
Gt. West Sadd., p.	75c	Jan. 2	Dec. 26
Guelph & Ont. Inv.	$1.50	Jan. 2	Dec. 20
Guelph Trust	$1.25	Jan. 2	Dec. 20
Halifax Fire	50c	Jan. 2	Dec. 10
Harding Carpets	10c	Jan. 2	Dec. 17
Do., extra	5c	Jan. 2	Dec. 17
Hart Battery	10c	Dec. 31	Dec. 10
Do., extra	15c	Dec. 31	Dec. 10
Ham. Cotton, pf.	50c	Jan. 2	Dec. 14
Do., arrears	$1.25	Jan. 2	Dec. 14
Hard Rock G.	5c	Dec. 20	Nov. 30
Ham. Un. Theat., p.	$1.25	Dec. 31	Nov. 30
Hinde & Dauch	12½c	Dec. 20	Dec. 10
Hollinger Cons.	5c	Dec. 31	Dec. 16
Do., extra	5c	Dec. 31	Dec. 16
Honey Dew	50c	Jan. 2	Dec. 14
Hudson's Bay, pf.	2½%	Jan. 1	Nov. 30
Huron & E. Mtge.	1%	Jan. 2	Dec. 14
Howe Sound	†75c	Dec. 23	Dec. 17
Do., extra	†75c	Dec. 23	Dec. 17
Howey Gold	3c	Dec. 31	Nov. 30
Imp. Tobacco, ord.	10c	Dec. 31	Dec. 6
Inter. Nickel, c.	50c	Dec. 31	Dec. 2
Inter. Nickel, pf.	†$1.75	Feb. 1	Jan. 2
Int. Paints, pfd.	$1	Jan. 10	Dec. 11
Do., arrears	25c	Jan. 10	Dec. 11
Int. Pap. & Pr., pf.	†$1.25	Dec. 28	Dec. 20
Do., arrears	†$1.25	Dec. 28	Dec. 20
Inter. Power, pf.	$1.75	Jan. 2	Dec. 14
Invest. Found., pfd.	75c	Jan. 15	Dec. 31
Imperial Bank	$2.50	Feb. 1	Dec. 31
Intercol. Coal, pf.	$4	Jan. 2	Dec. 21
Do., com.	$3	Jan. 2	Dec. 21
Do., extra	$1	Jan. 2	Dec. 21
Inter. Milling, p.	†$1.25	Jan. 15	Jan. 3
Inter. Mining	†10c	Dec. 27	Dec. 23
Jam. Pub. Serv.	17c	Jan. 2	Dec. 20
Do., pref.	$1.75	Jan. 2	Dec. 20
Kerr-Add. Gold	5c	Dec. 20	Nov. 30
Little Long Lac	10c	Dec. 21	Dec. 7
Landed Bank	$1	Jan. 2	Dec. 14
Lamaque Gold	10c	Jan. 1	Dec. 6
Levy Bros., c.	15c	Dec. 27	Dec. 12
Lang, J. A.	17½c	Jan. 2	Dec. 15
Lambton Loan	$1	Jan. 2	Dec. 15
Mtl. L. H. & Pr.	38c	Jan. 31	Dec. 31
Manufacturers Life	$6	Jan. 2	....
Mer. Transp. F., p.	3%	Dec. 31	Dec. 20
McLeod Bldg.	$1.50	Dec. 15	Dec. 10
Mansfield Th., pfd.	$1.75	Dec. 30	Dec. 20
Mitchell, J. S., p.	$1.75	Jan. 2	Dec. 16
Mitchell, Robt.	50c	Dec. 20	Dec. 10
McColl-Fron., p.	$1.50	Jan. 15	Dec. 31
McManus Pete.	30c	Jan. 3	Dec. 26
Do., pref.	30c	Jan. 3	Dec. 26
Midland Loan	40c	Jan. 2	Dec. 14
Moneta Porc.	3c	Jan. 15	Dec. 31
Mount Zeballos G.	▴10c	Dec. 28	Dec. 16
Moore Corp.	†50c	Jan. 2	Dec. 7
Do., extra	†60c	Jan. 2	Dec. 7
Do., A, B pref.	†$1.75	Jan. 2	Dec. 7
McIntyre Porc.	$1.11	Jan. 2	Nov. 1
MacLeod-Cockshutt	10c	Dec. 20	Nov. 30
Model Oils	2c	Dec. 21	Dec. 2
Modern Contain.	20c	Jan. 1	Dec. 20
Do., extra	10c	Jan. 1	Dec. 20
Do., pref.	$1.37½	Jan. 1	Dec. 20
Marcus Loew's, pf.	$3.50	Dec. 21	Dec. 7
Melchers, pref.	30c	Dec. 20	Dec. 4
Mtl. C. & D. Bank	$3	Jan. 2	Dec. 14
Do., extra	$1	Jan. 2	Dec. 14
Nan.-Dunc. U., p.	81¼c	Dec. 2	Nov. 15
National Trust	$2	Jan. 2	Dec. 20
Niag. W. Weav.	50c	Jan. 2	Dec. 13
N. S. Lt. & Pr., ord.	$1.50	Jan. 2	Dec. 14
Naybob Gold	▴1c	Jan. 15	Jan. 1
Do.	1c	Apr. 15	Apr. 1
Nat. Grocers, pf.	37½c	Jan. 1	Dec. 14
Nat. Biscuit	†40c	Jan. 15 '41	Dec. 13
Nat. Steel Car	50c	Jan. 15	Dec. 31
North Star Oil, p.	8¾c	Jan. 2	Dec. 16
Neon Pr. W. Can.	35c	Dec. 20	Dec. 5
Nat. Breweries	50c	Jan. 2	Dec. 14
Do., pref.	43c	Jan. 2	Dec. 14
North. Emp. Mines	10c	Dec. 27	Dec. 13
Ogilvie Flour, c.	25c	Jan. 2	Dec. 17
Ont. Loan & Deb.	$1.25	Jan. 2	Dec. 16
Ottawa Elec.	30c	Dec. 30	Dec. 16

Mining Dividends

	Rate	Close Dec. 16	Yield %
Anglo-Huronian	[illegible]	[illegible]	[illegible]
Beattie Gold	[illegible]	[illegible]	[illegible]
Bralorne	[illegible]	[illegible]	[illegible]
Broulan Porc.	6c	.92	..
Buffalo Ankerite	[illegible]	[illegible]	..
Bulolo Gold	[illegible]	[illegible]	[illegible]
Cons. Malartic	[illegible]	.32	..
Cariboo Gold	[illegible]	[illegible]	[illegible]
Central Patricia	[illegible]	[illegible]	[illegible]
Chesterville	[illegible]	[illegible]	..
Cochenour Willans	[illegible]	[illegible]	..
Coniagas	[illegible]	[illegible]	..
Coniaurum	[illegible]	[illegible]	..
Cons. Smelters	[illegible]	[illegible]	[illegible]
Denison	[illegible]	[illegible]	..
Dome Mines	[illegible]	[illegible]	[illegible]
East Malartic	[illegible]	[illegible]	..
Francoeur Gold	[illegible]	[illegible]	..
God's Lake	[illegible]	[illegible]	..
Goldale	[illegible]	[illegible]	..
Gold Belt	[illegible]	[illegible]	..
Gunnar Gold	[illegible]	[illegible]	..
Hallnor	[illegible]	[illegible]	[illegible]
Hard Rock	[illegible]	[illegible]	..
Hedley Mascot	[illegible]	[illegible]	..
Hollinger	[illegible]	[illegible]	[illegible]
Howey Gold	[illegible]	[illegible]	..
Hudson Bay	[illegible]	[illegible]	[illegible]
Inter. Nickel, com.	[illegible]	[illegible]	[illegible]
Island Mountain	[illegible]	[illegible]	..
Kerr Addison	[illegible]	[illegible]	..
Kerr Lake	[illegible]	[illegible]	..
Kirkland Lake	[illegible]	[illegible]	..
Kootenay Belle	[illegible]	[illegible]	..
Lamaque Gold	[illegible]	[illegible]	[illegible]
Lake Shore	[illegible]	[illegible]	[illegible]
Leitch	[illegible]	[illegible]	[illegible]
Little Long Lac	[illegible]	[illegible]	[illegible]
Macassa	[illegible]	[illegible]	[illegible]
Madsen R. Lake	3c+1c	[illegible]	..
McGillivray Coal	[illegible]	[illegible]	..
McKenzie Red L.	[illegible]	[illegible]	[illegible]
McWatters	[illegible]	[illegible]	..
Moneta	[illegible]	[illegible]	..
McIntyre Porc.	[illegible]	[illegible]	[illegible]
MacLeod-Cockshutt	[illegible]	[illegible]	..
Naybob Gold	[illegible]	[illegible]	..
Nipissing	$4	59.50	6.7
Noranda	‡30c	6.25	..
North Empire	‡10c	1.15	..
O'Brien Gold	12c	1.54	7.8
Pamour Porc.	20c	2.60	..
Pato Cons.	2c	.24½	..
Paymaster	16c+4c	1.70	*11.7
Perron Gold	40c	2.22	18
Pioneer, B.C.	40c	2.90	13.8
Pickle Crow	$1.20	9.00	13.3
Placer Develop.	12c	.91	13.2
Premier		3.45	7.2
Preston E. Dome	20c+5c	.55	..
Privateer Mine	‡18c+2c	1.10	..
Powell Rouyn	20c	.28	..
Quebec Gold	‡2c	.03	..
Relief Arlington	†5c	2.60	*7.7
San Antonio	14c+6c	.88	*21.6
Sheep Creek	16c+3c	.83	..
Sherritt Gordon	10c	8.50	..
Sigma Mines	‡45c	.69	26.6
Silbak Premier	16c	.60	..
Siscoe	‡11½c	.17	..
Sturgeon River	†‡2c	1.35	..
Sudbury Basin	2½c	.65	..
Sullivan Cons.	‡9c	.10	..
Surf Inlet	†1½c	2.75	*10.9
Sylvanite Gold	20c+10c	3.30	*13.6
Teck-Hughes	40c+5c	1.60	*12.5
Toburn	8c+12c	2.35	..
Upper Canada	‡6c	2.90	..
Ventures	15c	3.65	..
Waite Amulet	†10c	.21	..
Wendigo	†3c	7.20	*9.7
Wright-Harg.	40c+30c		

†Initial.
*Yield including bonus.
‡Paid or payable in 1940 to date.
▪An extra dividend of $1.11 declared payable Jan. 2, 1941.
▴Plus 1 sh. McMarmac Red Lake Gold Mines for each 5 shs. McKenzie held.

Dividends Declared (Cont'd)

Company	This payment	Date payable	Date of record
Ottawa L. H. Pr.	25c	Jan. 1	Nov. 23
Do., pref.	$1.25	Jan. 1	Nov. 23
Porto Rico Pwr., p.	$1.75	Jan. 2	Dec. 14
Power Corp.	15c	Feb. 1	Dec. 31
Do., pref.	$1.50	Jan. 15	Dec. 31
Do., 2nd pref.	75c	Jan. 15	Dec. 31
Preston E. Dome	5c	Jan. 15	Dec. 31
Do.. extra	5c	Jan. 15	Dec. 31
Pioneer Gold	10c	Jan. 2	Nov. 30
Perron Gold	4c	Dec. 21	Nov. 30
Do., extra	1c	Dec. 21	Nov. 30
Pickle Crow	10c	Dec. 31	Dec. 16
Page-Hersey	$1.25	Jan. 2	Dec. 16
Price Bros., p.	$1.37½	Jan. 2	Dec. 21
Do., arrears	*$1.37½	Jan. 2	Dec. 21
Para. Pictures	†15c	Dec. 24	Dec. 9
Do., 1st pfd.	†$1.50	Dec. 24	Dec. 10
Do., 2nd pfd.	†15c	Dec. 24	Dec. 10
Quebec Power	25c	Feb. 25	Jan. 25
Remington Rand	†20c	Jan. 2	Dec. 10
Do., pref.	†$1.12½	Jan. 2	Dec. 10
Real Est. Loan	$1	Jan. 2	Dec. 17
Regent Knit.	25c	Dec. 30	Dec. 14
Do., pref.	40c	Dec. 30	Dec. 14
R. S. Mills, A	50c	Jan. 2	Nov. 19
Russell Indust.	20c	Dec. 26	Dec. 10
Do., pref.	$1.75	Dec. 26	Dec. 10
Stedman Bros.	15c	Jan. 2	Dec. 20
Do., pref.	75c	Jan. 2	Dec. 20
Sun Life Assur.	$3.75	Jan. 1	Dec. 16
Sterling Trusts	$1.50	Jan. 2	Dec. 20
Sher.-Williams, pf.	$3.50	Jan. 2	Dec. 15
Sylvanite Gold	†5c	Dec. 28	Nov. 6
Do., extra	†5c	Dec. 28	Nov. 6
South. Can. Pr.	20c	Feb. 15	Jan. 31
Do., pref.	$1.50	Jan. 15	Dec. 20
Simon & Sons	15c	Dec. 21	Dec. 7
Do., pref.	$1.75	Dec. 21	Dec. 7
St. Law. Corp., A	25c	Jan. 15	Jan. 2
Do., extra	90c	Dec. 23	Dec. 10
St. Law. Paper, p.	50c	Jan. 15	Jan. 2
Do., extra	$2	Dec. 23	Dec. 10
Supersilk H., pf.	$2.50	Jan. 2	Dec. 13
Supertest P., c. ord.	50c	Jan. 2	Dec. 13
Do., extra	25c	Jan. 2	Dec. 13
Do., B, pref.	75c	Jan. 2	Dec. 13
Sangamo Co.	▪50c	Dec. 26	Dec. 23
Securities Hold., p.	65c	Jan. 2	Dec. 20
Sheep C. Gold	4c	Jan. 15	Dec. 31
Smith, H. Pap., p.	$1.50	Jan. 15	Dec. 31
Sec., C. Int. Inv., p.	10c	Dec. 2	Nov. 15
Stand. Fuel, pf.	$1	Jan. 1	Dec. 14
Teck-Hughes	▪10c	Jan. 1	Dec. 6
Tamblyn	20c	Jan. 2	Dec. 12
Do., pref.	62½c	Jan. 2	Dec. 12
Tip Top Tailors, Inc., p.	$1.65	Nov. 20	Oct. 31
Toburn G. extra	4c	Dec. 27	Dec. 10
Toronto Mortgage	$1.25	Jan. 2	Dec. 14
Tor. Gen. Trusts	$1	Jan. 2	Dec. 14
Traders Fin., A, rts.	$1	Jan. 2	Dec. 16
Do., B, rights	$1	Jan. 2	Dec. 16
Do., pref.	$1.50	Jan. 2	Dec. 16
Do., pref.	$1.75	Jan. 2	....
Tip Top Tailors	15c	Jan. 2	Dec. 20
Do., pref.	$1.75	Jan. 2	Dec. 20
Thayers, pref.	$2.50	Jan. 1	Dec. 24
United Fuel, A pfd.	75c	Jan. 2	Dec. 20
Viau.: pref.	$1.25	Jan. 2	Dec. 20
Ventures	▪10c	Dec. 21	Nov. 29
Vulcan-Br. Pete.	1c	Dec. 19	Dec. 14
Wabasso Cotton	50c	Jan. 2	Dec. 21
Weston, Geo., c.	20c	Jan. 2	Dec. 12
Western Grocers	75c	Jan. 15	Dec. 20
Do., pref.	$1.75	Jan. 15	Dec. 20
West. Koot. Pr., pf.	$1.75	Dec. 31	Dec. 16
Wilsil	25c	Jan. 2	Dec. 14
Wr.-Hargreaves	11.1c	Jan. 2	Nov. 20
Do., extra	5.55c	Jan. 2	Nov. 20
Do., interim	11.1c	Jan. 20	Dec. 2

†Payable in U. S. funds.
▪Subject to approval by Foreign Exchange Control Board.
•Increased to 38% paid along with this payment.
▴Initial.
‡On arrears.
▴Paid in 5% cum. conv. pf. stock 2nd series in 1939, 3rd series in 1940. Fractional shares or scrip paid in cash.
*Arrears eliminated after Jan. 2/41 payment.

DIVIDEND NOTICES

The Royal Bank of Canada

ANNUAL MEETING

THE Annual General Meeting of the Shareholders of the Bank will be held at the Head Office, 360 St. James Street West, in the City of Montreal, on Thursday, the 9th day of January, 1941, at 11 o'clock a.m.

By order of the Board.

S. G. DOBSON
General Manager

Montreal, December 2, 1940.

The Bank of Nova Scotia

Notice is hereby given that the Annual General Meeting of the Shareholders of this Bank will be held in the Banking House, Hollis and Prince Streets, Halifax, on Wednesday, the 22nd January next, at eleven o'clock, a.m., for the purpose of receiving a statement of the affairs of the Bank, for the election of Directors and for other business.

By Order of the Board.

H. F. PATTERSON,
General Manager.

Halifax, N.S., December 10, 1940.

The Dominion Bank

Dividend No. 233

Notice is hereby given that a dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st January, 1941. The dividend will be payable at the Head Office of the Bank and its Branches on and after Saturday, the 1st day of February, 1941, to shareholders of record of the 20th January, 1941.

By Order of the Board.

ROBERT RAE,
General Manager.

Toronto, 12th December, 1940.

The Canadian Bank of Commerce

Dividend No. 216

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st January, 1941, and that the same will be payable at the Bank and its Branches on and after Saturday, 1st February next, to shareholders of record at the close of business on the 31st December, 1940. The Transfer Books will not be closed.

By Order of the Board,

A. E. ARSCOTT,
General Manager.

Toronto, 13th December, 1940.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.25 per share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

2nd January, 1941

to Shareholders of record on the books of the Company at the close of business on 14th instant.

By order of the Board,

WALTER GILLESPIE,
Manager.

5th December, 1940.

DIVIDEND

Chartered Trust and Executor Company

NOTICE is hereby given that a dividend of 1% has been declared on the paid-up Capital Stock of Chartered Trust and Executor Company for the quarter ending December 31st, 1940, payable January 2nd, 1941, to shareholders of record at the close of business December 16th, 1940.

By Order of the Board.

E. W. McNEILL,
Secretary.

Dated at Toronto,
November 21st, 1940.

Lake St. John Power & Paper Company Limited

5% 25-YEAR MORTGAGE DEBENTURES, SERIES "A"

NOTICE OF PAYMENT OF INTEREST

NOTICE IS HEREBY GIVEN that the interest for the period from and including the 1st day of January, 1939, up to and including the 31st day of December, 1939, on the 5% 25-Year Mortgage Debentures, Series "A" of the Company at the rate of Five per centum (5%) per annum, will be paid on the 27th day of December, 1940, and that the registers of such Debentures will be closed as and from the close of business on the 20th day of December, 1940, up to and including the 27th day of December, 1940.

GIVEN at the City of Montreal this 14th day of December, 1940.

By order of the board of directors.

CHARLES W, DAVISON,
Secretary-Treasurer.

Disher Steel Construction Company, Limited

DIVIDEND

Notice is hereby given that a dividend of One and 50/100 Dollars ($1.50) per share has been declared on account of arrears of dividends on the Class "A" Cumulative Redeemable Preference Shares of the Company, payable December 24th, 1940, to shareholders of record at the close of business December 18th, 1940.

By Order of the Board,

DONALD H. ROWAN,
Secretary.

Toronto, December 13th, 1940.

Quebec Power Company

NOTICE is hereby given that a dividend of twenty-five (25c) cents per share has been declared on the no par value common shares of the Company for the quarter ending December 31, 1940, payable February 25, 1941, to shareholders of record January 25, 1941.

By Order of the Board,

H. G. BUDDEN,
Secretary.

Montreal, December 16, 1940.

Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable January 2nd, 1941, to Shareholders of record as at close of business December 15th, 1940, in Canadian funds.

W. S. BARBER,
Secretary-Treasurer.

Toronto, Ont.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

Canada Northern Power Corporation, Limited

The Board of Directors has declared this day the following dividends:

7% Cumulative Preferred Stock

No. 64, quarterly, $1.75 per share, payable January 15th, 1941.

No par value Common Stock

No. 46, quarterly 25c. per share, payable January 25th, 1941.

to holders of record at the close of business December 31st, 1940.

L. C. HASKELL, F.C.I.S.,
Secretary.

November 26th, 1940.

ORDERS EXECUTED ON ALL EXCHANGES

A. J. Pattison, Jr. & Co.

Established 1907

Royal Bank Bldg. EL. 5101 Toronto
THIRD FLOOR

Expect No Cut In Wheat Price

From Our Own Correspondent

OTTAWA. — The Government has decided not to reduce the present price of 70 cents per bushel nor to seek to reduce wheat acreage.

Between now and next fall, additional storage will be provided so that the Government will be able to guarantee to accept 200 million bushels of the new crop. No undertaking will be given that more will be accepted.

If farmers desire to grow plenty of wheat and take a chance on being able to sell it, that will be their own concern.

Acreage control is regarded as a matter exclusively under the jurisdiction of the provinces.

Dicker With U.K. For N.Z. Butter

From Our Own Correspondent

OTTAWA.—Pending the outcome of negotiations with the British and New Zealand Governments, no action will be taken either to ration butter or to peg the price of butter. That a butter shortage may occur before next April, when the spring make begins, is conceded, but the best method for relieving it is said to be by importation from New Zealand.

The British Government, however, has bought the entire export surplus of New Zealand butter and even if a resale to Canada could be arranged, the problem of shipping would have to be solved. The British Government is in the key position on both counts.

Britain Might Help

Authorities at Ottawa hope that Britain will agree to sell New Zealand butter to Canada and, also, to divert sufficient tonnage to banish all fear of a butter shortage here. There is a very large surplus in New Zealand, and by agreeing to resell to Canada the British Government would not only obtain needed Canadian dollars but would also help Canada to produce the 112 million pounds of cheese which Britain requires under the recent cheese agreement. The one factor which may prevent this solution of the butter problem is the shortage of shipping.

The situation in Canada is as follows: Butter stocks at Dec. 1 were 41,768,020 pounds—7,700,000 pounds below the corresponding figure for 1939. Consumption in November at 24,700,000 lb. is 2,800,000 lb. higher than a year ago. In response to this situation, the price has advanced from 25 to 35 cents per lb. since last September.

By November, production as a rule falls below consumption and the drain on reserves continues until April. But the spread between production and consumption has been wider than usual

Rationing and Substitutes

Rationing has not been seriously considered. The Wartime Prices Board obtained from the Cabinet a month ago the power to fix the price of butter. But it is not the present intention to use this power unless no other course is available. No consideration has yet been given to setting aside the statute prohibiting the manufacture or importation of oleo margarine.

Actually the Board is more concerned regarding the future than the present. The prevailing price of around 35 cents per pound is not regarded as unduly high. It is no higher than in 1938 and the Board will not be disturbed unless the price rises above 40 cents.

DIVIDEND NOTICES

THE WABASSO COTTON COMPANY, LIMITED

NOTICE OF DIVIDEND

A Dividend of Fifty Cents (50c) per share has been declared on the capital stock of The Wabasso Cotton Company, Limited, payable 2nd January, 1941, to shareholders of record as at close of business on 21st December, 1940.

By Order of the Board,

H. W. CAPEL,
Secretary-Treasurer.

Montreal, 12th December, 1940.

The Great West Saddlery Company Limited

6% Cumulative First Preferred Stock ($50.00 Par Value)

A dividend of six per cent (6%) per annum, or Seventy-five Cents (75c) per share, being one quarterly dividend for quarter ending June 30th, 1940, has been declared and authorized to be paid on January 2nd, 1941, to all First Preferred shareholders of record with the Transfer Agents of the Company at the close of business on December 26th, 1940.

By Order of the Board.

J. C. BROADFOOT,
Secretary.

Winnipeg, Man.,
December 16th, 1940.

Montreal Light Heat & Power CONSOLIDATED

98th Quarterly Dividend

NOTICE IS HEREBY GIVEN that a dividend of thirty-eight cents per share (being at the rate of one dollar and fifty cents per annum) on the no-par-value common shares of the Company presently issued and paid up for quarter ending December 31st, 1940, has this day been declared to shareholders of record December 31st, 1940, on the Montreal and London, England, registers.

Dividend cheques will be mailed to registered shareholders January 31st, 1941.

By Order of the Board.

C. C. PARKES,
Secretary.

Montreal, December 16th, 1940.

Montreal Light Heat & Power serves 278,097 gas and electricity customers representing a population of 1,443,588 in the sixty municipalities in the City and District of Montreal.

Week in Wheat

Oppose Compulsory Acreage Reduction

Would Place Responsibility on Growers — Awaiting Clarification of National Policy — Market is Quieter

From Our Own Correspondent

REGINA.—Judging from what has taken place in various wheat conferences in Regina and elsewhere during the last week, it would appear that while federal policy on the problem has not crystallized to a definite point there does appear to be a general agreement on policy.

Official and professional agricultural interests are opposed to enforced acreage reduction but would leave the onus for this step on the farmer. It would be enforced through storage on his own farm, of wheat he would be unable to deliver to the Wheat Board under quota deliveries.

Wait National Policy

Main point of contention is a public announcement by the Wheat Board, say in February of next year, as to how much wheat the Board will accept, that is, an outside limit of amount of wheat the Board will take in view of limited requirements. It is argued if the Wheat Board can do that it would have an effect on 1941 acreage. Limitations would be voluntary and in fact such limitations might not occur at all, but the responsibility for the surplus wheat would rest with the farmer.

It seems that one of the first and most widely debated resolutions that have been passed by the various pool and municipal and other organization meetings concerns compulsory reduction of acreage. It also seems that government policy to the present is decidedly against taking such a rash plunge into the realm of the indefinable, despite Hon. J. G. Gardiner's "wave of the hand" dismissal of Canada's wheat problem over a period covering five years.

It is the wheat pools that are asking the Government to arrange with the Wheat Board for a statement of policy before seeding starts, so that the prairie farmer can decide what acreage he will sow. The pools' idea is that the Wheat Board take delivery only of that amount of wheat which it is expected can be disposed of either for export or domestic consumption during the crop year 1941-42.

• • •

Pool's Opinion

The wheat pools suggest that available markets could take 200 million bushels of wheat, while domestic consumption would be from 45 to 50 million bushels. This figure does not include domestic consumption held back for farm uses, including seed and feed. On this basis the pools are of the opinion that irrespective of the amount of grain produced during the coming season the Wheat Board would be able to take delivery of 250 million bushels. The pools further suggest that the balance of the wheat remains stored on farms as reserves. The pools are of the opinion the proper place to store surplus grain is on the farm. This theory also has the support of other organizations interested in the wheat problem.

• • •

Public Opinion Changes

A general change of opinion has taken place in the West as the result of having to face the facts concerning the future of wheat. It is generally accepted that the Federal Government is no longer able to finance the farmers' total crop. It has also become generally understood that whatever must be done to curtail production must be done by the farmer himself and the best way to accomplish this would be to arrange a form of crop insurance which might be described as the ever-normal granary.

Mr. Gardiner has sat in on many meetings of pool and other organizations this last ten days and will have come out of the West with a fairly general idea as to what can be and what cannot be achieved by the Government.

• • •

Market Lower

From Our Own Correspondent

WINNIPEG.—Wheat prices have been slightly lower this week. While some sympathy with a recession in the United States wheat market has been suggested, influence from that quarter is at a minimum just now.

It is probably more nearly correct to say that open market prices attracted more selling from farmers than the limited demand from mills in the Canadian market could absorb.

With the opening up of country elevators for more deliveries by farmers following recent shipments of wheat down the lakes, receipts at country elevators have been heavy and a certain percentage of these has been sold on the open market instead of being delivered to the Canadian Wheat Board.

• • •

Canadian Wheat in U. S.

One of the surprises of most recently published grain statistics lies in the quantity of Canadian wheat stored in the United States, approximately 53 million bushels. While such storage represents a drain on Canadian resources in United States funds it ensures a plentiful supply of wheat for loading out of any American ports when opportunity occurs for shipment during the winter.

Commodities

Commodity markets which a week ago were showing moderate strength have again become irregular.

In the agricultural group, hog prices were easier as deliveries increased with the clearing of country highways, while cattle prices held steady. Industrial commodities such as hides and cotton were easier with manufacturers anxious to keep their inventories down as the end of the year approached.

Of the spot indices two were lower, one unchanged and one higher. Dow Jones future index was down slightly.

	Latest week	Previous week	Same week last yr.
Cattle	$9.25	$9.25	$7.75
Hogs	10.90	11.50	11.75
Copper, lb.	.12	.12	.13
Cotton, lb.	.1037	.1038	.1160
Rubber, lb.	.21	.21	.2055
Sugar, raw, lb.	.0295	.0287	.0295
Silk, lb	2.56	2.56½	3.86
Wheat, Man. (bu.)	.73½	.74	.84⅞
Coffee, lb.	.05¼	.05¼	.05⅛
Hides	.13	.13½	.14¾
Weekly Indices			
Canada (D.B.S.)	84.1	84.1	80.8
Do., Wood, Gundy	67.3	67.4	68.0
U. S. Labor	79.8	79.7	79.0
Dow Jones (future)	56.32	56.47	63.70
Fishers'	84.9	85.0	85.2
Monthly Indices			
Canada (D.B.S.):			
Retail (Nov.)*	107.8	107.0	103.8
W'sale (Oct.)	83.3	83.1	79.6
U. S. (Sept.)	78.0	77.4	79.1
Gt. Brit. (June)	134.6	133.7	98.1

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base. *Base 1935-39=100.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. Silk—Crack db., 13-15 New York. Sugar — 96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides—No. 1 packer light.

Deny Rumored Changes Wheat Processing Tax

From Our Own Correspondent

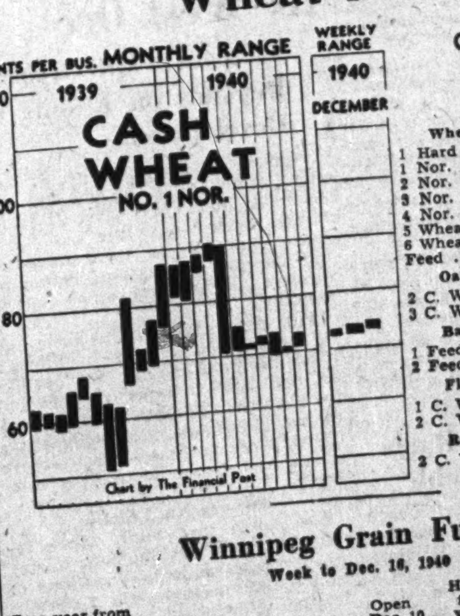
OTTAWA.—Reports that the processing tax on wheat is to be increased are without foundation, it is learned authoritatively here.

The tax now stands at 70 cents per bbl. and the report indicates an increase to $1.50 per bbl.

The Trade and Commerce Department enforces this tax and no plans are now being considered to increase it. Hon. J. A. MacKinnon, Minister of Trade and Commerce, is now on a trade mission in South America accompanied by L. D. Wilgress, his deputy. Nothing, in any event, will be done until they return, but at the moment there is no suggestion that any change is in contemplation.

The source of this report may be the western agricultural conference which met last week at Regina and drafted a programme calling for a higher tax.

Wheat Prices



Cash Quotations

	For Week Dec. 16 High	For Week Dec. 16 Low	Prev. Week High	Prev. Week Low
Wheat:				
1 Hard	.74¾	.73½	.74	.72⅝
1 Nor.	.74¾	.73½	.74	.72⅝
2 Nor.	.72¼	.71	.71½	.70⅛
3 Nor.	.68¾	.67½	.68⅝	.66⅝
4 Nor.	.65¾	.64½	.65	.64⅛
5 Wheat	.62¾	.61½	.62⅛	.60⅛
6 Wheat	.61¾	.60½	.61	.59⅝
Feed	.59¾	.58½	.57	.55⅛
Oats:				
2 C. W.	.33⅞	.32⅛	.33¾	.32⅛
3 C. W.	.31⅛	.29⅛	.33¼	.29⅜
Barley:				
1 Feed	.41¼	.39½	.40⅝	.38½
2 Feed	.41	.39¼	.40⅛	.38
Flax:				
1 C. W.	1.31¼	1.29	1.31¼	1.27¾
2 C. W.	1.27½	1.25	1.26½	1.23¾
Rye:				
2 C. W.	.47⅝	.44¾	.46⅞	.45⅝

Winnipeg Grain Futures

Week to Dec. 16, 1940

Crop year from Aug. 1, 1940 High	Low		Open Dec. 10	High for week	Low for week	Close Dec. 16	Close year ago
		Wheat					
.74¾	.71⅝	Dec.	.74	.74¾	.73½	.73½	.84⅞
.78¾	.75⅛	May	.77⅞	.78¾	.77⅜	.77⅜	.89
.80½	.77⅛	July	.79½	.80½	.79	.79	.90
		Oats					
.34⅞	.25⅝	Dec.	.33¼	.34	.32¼	.32⅛	.39½
.33¾	.26⅝	May	.32⅝	.32⅞	.31¾	.31⅞	.38
.32⅝	.29⅛	July	......	.31⅛	.30½	.30⅛	.37⅝
		Barley					
.48⅛	.30⅛	Dec.	.43¾	.44¾	.42¾	.42¾	.50⅝
.46⅞	.33⅝	May	.44⅛	.45½	.43⅛	.43⅝	.52⅝
.44⅛	.39⅛	July	.42⅝	.43⅝	.41¾	.41⅞	.51¼
		Flax					
1.34⅛	1.15¼	Dec.	1.30½	1.31¾	1.29	1.29¾	1.82
1.39⅝	1.16	May	1.35	1.36½	1.32¾	1.33⅝	1.85¾
1.37½	1.20¼	July	....	1.37	1.35	1.35	1.85¼
		Rye					
.49⅛	.40⅝	Dec.	.....	.47⅝	.43⅜	.45¾	.77¼
.52	.44¼	May	.49¼	.50⅝	.48¼	.48¼	.79
.50⅝	.40⅝	July	.49⅝	.50⅝	.49⅝	.49⅛	.78⅝

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Company Report

Dominion Bakeries

Dominion Bakeries Ltd. reports deficit of $69,324 for year ended Aug. 31, 1940, compared with $31,419 in the previous 12 months. Loss on sale of fixed assets of $53,253 was substantially higher than in 1939. Sold during the 1939-40 period were the plant and equipment at Ottawa, remaining equipment at Windsor and miscellaneous items at some of the other plants. The company does not operate its plants, but rents its remaining properties located in about 10 different Ontario cities.

Decline in rentals is attributed by G. H. Hand, secretary, to sale of the Ottawa plant. Mr. Hand also states the board of directors is of the opinion that the matter of winding-up the company and disposing of the remaining assets should be dealt with this year. Annual meeting will be held in Toronto on Dec. 30.

Income and Deficit Account Years Ended Aug. 31

	1940 $	1939 $
Net earnings	1,487	3,681
Less: Depreciation	17,557	22,000
Loss on sale of fixed assets	53,253	13,100
Deficit for year	69,324	31,419
Add: Previous deficit	769,874	738,455
Adjustments	976	......
Less: Adjustments	1,398	......
Deficit forward	838,776	769,874

Working Capital

	1940	1939
Current assets	1,001	1,965
Current liabilities	218,302	230,451
Excess current liabs. over current assets	217,301	228,486
over current assets	217,301	228,486

BUSINESS SERVICE
SERIES 1
FACTS RELATING TO BUYING POWER
A MONTHLY REVIEW OF WESTERN BUYING POWER
Editorial Comment — Grain Situation
Value of Grain Marketings by Districts
Livestock Marketings and Value by Districts
Summary of Business Conditions
Wholesale Trade
Building Activity by Crop Districts and Towns
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Week in Mining

Gold Mine Profits Hold Though Taxes Double

Increased Price for Gold Proves Saving Factor For Gold Mining Operations — Rise in Costs Not Yet Important

With Canadian gold mines this month completing their first full calendar year under war, it is possible to assess results under new conditions. From interim earnings statements issued by the various producers, gold mining profits are found to have been sustained generally even though taxes have roughly been doubled over those paid in 1939. The increased price being received for gold has allowed excess profits taxes and larger corporation levies to be paid without any slashing of dividend rates.

The position of the gold mining industry is radically different from the last war. In 15 months of this war no mine has closed down because of increased costs. Deliveries of equipment have become slow but the rise that has taken place in costs so far has not been a problem. With gold mining declared an essential industry in the war effort, it is not likely that the supply problem will become acute.

East Malartic Grade

According to the report of Futterer & Reid, consulting engineers for East Malartic Mines, it will be another six months before the grade of ore milled at the East Malartic mine can be brought back to the average of the past year, through operation of 12 new stopes on the lower levels. Even then it is expected that operating costs will be $1 per ton higher, making them about $3.35 per ton instead of $2.35 a ton, the recent level.

The higher costs arise from the necessity of changing mining methods underground at greater depth. In the last few months grade has been declining because of dilution from low grade wall rock and a "temporary tie-up of ore in the highest grade stope." This tie-up has necessitated drawing of ore from the lower-grade, east-end stopes.

* * *

Connell to Ottawa

Canada's metals controller, George C. Bateman, has a new chief assistant in Fred M. Connell, B.Sc., well-known Toronto mining engineer. Mr. Connell starts his new work with the broad background of 25 years in mining, covering practically every phase of work, from the early stages of prospecting to the bringing of mines into production. He serves in his new position without remuneration.

President of Central Patricia Gold Mines, Mr. Connell has recently distinguished himself by bringing into production Willow Creek Mines in Alaska and Mount Zeballos Gold Mines in Vancouver Island's west coast Zeballos field. Besides being president of these companies, Mr. Connell is president of Connell Mining and Exploration Co., McVittie Graham Mines, Conwest Exploration Co., and also a director of Noranda and several other large mining enterprises.

* * *

More Hydro Used

Use of hydro-electric power in Canada's northland has been spreading rapidly the past year. Lines have been extended into new areas to allow properties to reach production and this has encouraged work at properties not considered to have possibilities without cheap hydro-electric power.

Jason Mines has been an outstanding example of the difference that hydro-electric power can make in carrying on successful mining operations. Under a previous company, it was impossible to make ends meet with high-cost Diesel power. Even in the far Yellowknife area it has been found advisable to have a hydro installation.

Hydro lines are now being cut into at least two further mines in Ontario at the present time. These are the Jerome property of Mining Corp., in the Sudbury area, and Yama Gold Mines in the southern part of the Larder Lake area.

* * *

Works in Wide Field

The significant part taken by Hans Lundberg in the development of geophysical methods for prospecting have taken him not only across this country but into many other parts of the world as well. Discovering a lead-zinc ore deposit in Newfoundland in 1926, he has been working there almost constantly since. Work has also been carried on in Labrador, Ecuador, Cuba and Peru.

Most of Mr. Lundberg's work has been connected with the search for ore bodies. Now, however, he is busy with prospecting for oil in Texas, Colorado and Utah. Radio-activity has become a new tool for this type of work and is proving of great assistance to the older electrical, chemical and botanical methods.

* * *

Brock Looks Ahead

Directors of Brock Gold Mines have been able to plan further ahead than most managements. Although the shaft is only down 176 ft. and lateral work has not yet been started, arrangements are reported to have been completed for erection of the mill when that stage is reached. Mill financing is to be carried out from an issue of notes, it is understood, the same plan as worked so well at the adjoining Upper Canada property.

As Brock is not likely to treat ore at a leased mill as Upper Canada did, more time would be required to pay off indebtedness — if results underground stand up and the company does get its mill.

Shaft sinking is going ahead at the rate of 6 ft. a day and it is expected underground exploration will start about next February. The Brock shaft is on somewhat higher ground than that of Upper Canada but levels will be established to correspond with those at Upper Canada. A great deal of information is now available about conditions at Upper Canada at the horizons to be tested and this is expected to be of great assistance in correlating Brock results.

Siscoe Ore Grade Is Maintained

Over 330 Feet of Ore Opened in Hope Zone at 3rd Level

While it is probable that ore reserves of Siscoe Gold Mines will show some decline in tonnage at the end of this year, grade should be well maintained, J. B. Lynch, president, states in an interim report to shareholders.

Following the putting out of a long crosscut to the new No. 28 or Hope zone at the third level, drifting has been carried 213.8 ft. to the east and 118.3 ft. to the west with muck samples averaging $9.28 a ton. Drifting has run into talc at the east end, but the vein is still strong going to the west. Raising on this vein to the third level was completed with muck samples averaging $9.48.

To Raise At Third Level

Both in the raise and drifts this vein proved narrower and more irregular in width than on the fourth level, but better grade is expected in mining. Raising and drilling from the third level will be started shortly.

In the No. 26 zone, diamond drilling was continued to the northeast with some intersections worth further investigation. The No. 27 zone has been further explored from the 445 crosscut with some fair results, it is stated. At present a raise has been started to open up ore indicated above the 4th level. Further ore indicated by drilling will require a crosscut on the fifth level.

In the main ore zone an area of stringers around 310, 345 and 346 drifts may result in a considerable tonnage of fair ore. Work is continuing to test possibilities.

Drifting west in the "K" zone at the 2,225-ft. level has given 287 tons of ore averaging $23. This may be an extension of the 1601W-1 ore lens. This gives encouragement to exploration west of the shaft. On the 19th level, holes inclined downward are now being drilled. A drill parallel to the "K" zone is also being pushed out to the west.

Work on the optioned Vicour property is continuing with some encouragement, the report states. Drilling on the Pan Canadian property, however, has not shown values of importance.

On Nov. 1, A. H. Robertson was appointed mine manager, succeeding C. O. Stee, who remains as consulting engineer. Mr. Robertson will also take charge of outside exploration.

New Ore Opened At Jason Mine

Sharp Improvement in Liquid Position Shown at End of November

Several new ore sections have been opened at the property of Jason Mines recently, J. H. Colville, the company's consulting engineer, reports following a visit to the property. Extension of the second level of the old shaft to the south is stated to have given extremely rich ore with some sorted out sent directly to the refinery.

Mining has now been started on the fifth and sixth levels of this shaft with values encountered on the sixth level and above the dyke on the fifth level reported to be excellent.

At the main shaft most of the ore is being supplied from the second and third levels while the fourth level is being prepared for stoping. Drifting north on the second level toward the Camrock boundary has disclosed several new shoots of ore with the face still several hundred feet from the boundary.

Balance sheet of the company as at Nov. 30, 1940, shows working capital at $163,283 after repayment of $80,000 on the mortgage during November. Current assets totalled $177,618 including $29,195 cash, and $70,448 bullion in transit. Current liabilities were $14,336.

The company also owns $30,000 of bonds deposited with the Hydro-Electric Power Commission which are not included in current assets.

While production for November was a new record at $70,448 from 3,793 tons of ore milled, output is believed to have actually been somewhat greater than the amount of gold recovered. A crack developed in the liner of the refinery furnace and considerable gold has been retained in the furnace for a short time. Operating profit for November was $35,201 or $9.28 a ton. Production to date has been $338,002 from 18,863 tons of ore with operating profit of $175,383.

Marginal Mines Will Receive Wide Relief

Government's "Courage" to Be Only Limit on Tax Concessions

By STAFF WRITER

OTTAWA.—When Finance Minister Ilsley announced tax concessions to encourage greater exports to the United States in his recent "budget" speech, it was the extractive industries and particularly marginal gold mining operations of which he was thinking. In fact the Government considers special treatment of marginal mines as the major part of its budgetary programme.

The extent to which it will be carried out will, however, according to an Ottawa spokesman, be limited only by the Government's "courage" in giving tax relief to marginal producers. The Government feels, in short, that this plan has wide possibilities but that there is a danger of tax relief being misinterpreted.

Special Credits Planned

The broad basis of the tax relief to be offered the mining industry is as follows:

Assistance to marginal mines—either in production or considering production—will be by means of special tax credits, special allowances for depreciation and depletion, under the income and excess profits tax, or by a combination of these.

Tax concessions will be given only where they are required to maintain or increase production.

Depreciation allowances are expected to be on the same basis as the special credits on tax payments which were allowed on new construction in 1939. At that time, it was desired to secure a greater volume of construction. Now, a greater volume of United States dollars is the goal.

No "Formula" Developed

So far it has not proved possible to lay down any general formula on depreciation and depletion because every case presents particular problems of its own. For this reason the mining company must present its own position and the steps taken may be the subject of a certain amount of bargaining.

In some cases, an older marginal company—which might possibly expand its output—may have written off its plant completely and special treatment on depreciation would not be an important consideration in encouraging a step-up in production. Extra allowance on depletion might be given to make up for this.

While marginal mines have been referred to particularly so far, it is believed that the older and better established mines will be interested in any tax concessions offered for higher production. If production is expanded at present, a larger part of the increase can be taken away with the excess profits tax. The willingness of these older companies to expand their output may depend in part on how much taxation relief the Dominion Government is provided to offer.

Some confusion has arisen over the Dominion Government's proposal to assist the marginal mines. There is no intention of the Government advancing funds to assist mining companies, no matter what the stage of development reached.

Chesterville Says Profits Gratifying

New Hoist is Expected to Be Installed During January

Monthly profits being realized by Chesterville Larder Lake Gold Mining Co. are very gratifying, shareholders are informed by J. T. Kearns, secretary-treasurer, in a statement forwarded along with the initial dividend of 5 cents a share.

Operating profits for the period Dec. 16, 1939 to Oct. 31, 1940, are reported at approximately $2.64 per ton before write-offs and taxes and $1.83 per ton after write-offs but before taxes. Costs for the same period have been averaging $3.15 per ton before write-offs and taxes and $3.90 per ton after write-offs, but before taxes.

Development in the north part of the property is stated to have indicated new ore but sufficient work has not been done to warrant any statement as to the value and extent of this ore. A drill hole was put down from a drill station established at the fourth or 550-ft. level somewhat to the north of the "C" ore body and near the west boundary. The drill hole encountered the ore section at a depth of 178 ft. in the hole and values continued to 232 ft.

Some time ago it was announced that shaft sinking would be started before the end of the year in order to develop the new ore body indicated by drilling. A new steel headframe and hoisting plant is now under construction and is expected to be completed and ready some time in January.

A total of 188,544 tons of ore were milled by the company from Dec. 16, 1939 to Oct. 31, 1940, with a recovery of $1,091,833. Development has put new ore in sight and it is thought that new additions to reserves will more than balance extraction during the year, Mr. Kearns states.

Pandora Cadillac Rates Operations Profitable

Although expenses have been heavy to date, an operating profit is now being realized by Pandora Cadillac Gold Mines which should increase in the future, it is reported. After the cash position has been built up, it is planned to proceed with an extensive development programme.

Production of the company since July 16, when the company started operating the Amm mill, to Nov. 15 totalled $110,831 from 22,901 tons of ore for an average recovery of $4.84 a ton. Of the tonnage milled, 11,192 tons came from surface dumps on the Pandora Cadillac No. 2 and 3 shafts; 4,011 tons from the Pandora west shaft workings, and balance from the former Amm workings.

NEW DIRECTOR

Leopold A. Renaud, Montreal investment dealer, who has recently been elected a director of United Gold Equities of Canada Ltd. Mr. Renaud is vice-president of Renaud & Freres Inc., and a director of Melchers Distilleries Ltd. and Canadian Power & Paper Investment Ltd

Week in Oils

From Our Own Correspondent

CALGARY.—The number of Turner Valley drilling ventures rose to a two-year high this week, with the spudding in during the past few days of four more wells. Twenty-four wells are now drilling in the big Alberta oilfield, while 16 more are located or are preparing to spud.

Interesting to note is that all four of the new ventures are being drilled under contract by Drilling Contractors Ltd., the extremely active, money-making subsidiary of the Anglo Canadian Oil Co. Drilling Contractors now has nine rotary rigs working in Turner Valley, with two more locations being prepared for spudding.

* * *

New Well Details

First of the new group to spud was the Anglo Canadian No. 9 well, in L. S. D. 14 7-19-2w5 on the central flank. The well is subject to 20% gross royalty, including 15% to the C. and E. Corp. and 5% to others. Anglo Canadian Oil will receive the 80% net until drill costs are recovered, thereafter 60% net.

British-Alberta-Brown No. 2, located in L. S. D. 2 24-19-3w5 on the central flank, was the second well to spud. Gross royalties payable include 10% to the Alberta Government.

Third to spud last week was the Twin Valley Syndicate No. 2 well, in L. S. D. 10 13-19-3w5 on the central flank.

Spudded in last Sunday was Home Millarville No. 8, North Turner Valley test in L. S. D. 16 15-20-3w5. The new venture is half a mile east of the Anglo-Phillips No. 1 discovery producer.

* * *

Activity at Peak

Present activity in Turner Valley is greater than in any previous winter and, in fact, is greater than at any time in the past two years. A comparison of operations in this field as at Dec. 16, 1938, 1939 and 1940 serves to emphasize the steadily increasing activity in the field. Figures given are based on records of the Calgary "Oil Bulletin."

Turner Valley Oil Area activity as at Dec. 16, 1938, 1939 and 1940:

	1938	1939	1940
Producing oil wells	64	92	128
New wells on test	3	3	2
Drilling wells	14	20	24
Standing wells	10	10	8
Location, to spud	12	12	16

* * *

Sees Favorable Future

"The prospect of discovering large additional oil reserves in Alberta is so favorable in my opinion that it would embarrass me to tell you how optimistic I am," new Conservation Board chairman Robert E. Allen told the annual meeting of the Alberta Petroleum Association last week.

Speaking of the outlook for wildcatting in the province, Mr. Allen gave his opinion, based on a thorough survey of prospect areas made during recent weeks. Commenting that the discovery of new fields will not be easy, and that a high toll in failures has been and will be paid before new reserves are proved, Mr. Allen stressed the necessity of increased activity in wildcat areas. He pointed out the vital importance of proving up new oil reserves at at least as fast a rate as present reserves are withdrawn.

While the search may be difficult, he pointed out, "I can assure you that the oil is here."

MacLeod Opens Its West Ore

Increase in Mill Capacity Depends on Results of Development

Aggressive development is now being carried on of the new west ore zone of MacLeod-Cockshutt Gold Mines located near the old No. 1 shaft, shareholders were informed by Joseph Errington, managing director, at the company's annual meeting.

Full dimensions of this zone and its top are not yet known although it has been sufficiently developed to estimate 2,500 tons per vertical foot for a vertical height of 500 ft. from the work done at the 500-ft. horizon. Officials see no reason why the ore should not carry down to greater depth.

Deepen No. 1 Shaft

The north and south zones received no new development during the past year with the exception of the opening of stopes. No. 1 shaft is now being deepened and a series of new levels is to be established off it. The No. 2 shaft will also be deepened and the two shafts will be connected up at third and seventh levels.

Any increase in the production rate is dependent on future development, according to Mr. Errington. Until ore showings are more fully opened up the company does not wish to go ahead with any expansion, it is stated. It would be necessary to increase the roasting plant if the mill were doubled in size, it was pointed out.

Nickel Sales Make Record In 1940, Says Stanley

Year-end figures will show that more nickel was sold in 1940 than in any previous year in the life of the industry, according to Robert C. Stanley, president of the International Nickel Co. of Canada. Sales in 1939 had been the previous peak for the nickel-producing industry, amounting to 210 million pounds, exceeding the post-depression peak of 1937 by 2.5 million pounds.

"Increased war demands in 1940 have been met by the nickel industry as to quantity and quality and, in addition, peacetime requirements have been fully supplied," Mr. Stanley announced. "To this end all of the company's mines and refineries operated continuously. Since the outbreak of war there have been no exports of any of the company's nickel, copper or platinum metals to any destination outside the British Empire without sanction by the Canadian and British Governments.

U. S. Market Greater

"The increase in consumption over 1939 occurred principally in the United States, where the heavy industries, nickel's most important market, were more active due to the British Government war requirements and to the United States defense programme.

"The price of nickel in Canada and the United States remained unchanged in the past year, at a figure which has held since 1926. No change is anticipated at this time.

"We renewed for another year our agreement with the British Ministry of Supply to deliver to the British Government approximately 80% of our output of electrolytic copper. The metal is being delivered f.a.s. Canadian port, and the price is substantially below prevailing world prices. All of the balance of our copper output is being consumed in Canada.

Big Nickel Consumers

"The steel industry in 1940 accounted for over 50% of nickel consumption. The second largest market for nickel was nickel-copper alloys, nickel silvers, monel, malleable nickel and Inconel. Electroplating was the next greatest consumer. Nickel was also used in cast iron, heat resisting and electrical resistance alloys and numerous other alloys.

"The nickel industry continued its well established policy of research and technical sales development during the past year. As in the last World War, discoveries resulting from technical experiments connected with the speeding up of war industries will prove valuable in the post-war periods.

Aero Engines Plan Revived

Negotiations Are Renewed for Launching Production in Canada

From Our Own Correspondent

OTTAWA. — Latest reports indicate that negotiations for starting of an aero engine industry in Canada have been re-opened with the Curtis-Wright interests of the United States. The negotiations, are said to be far advanced but these optimistic forecasts are heavily discounted at Ottawa.

The record of Hon. C. D. Howe, Minister of Munitions and Supply, on aero engines, is rather contradictory. Last May 22 when the question of building engines first became acute he said that the increase in production in the United States would be so great that "it will be only for a matter of months that the production of airplane engines will continue to be the bottle-neck of the industry."

He went on to point out the difficulties of building aero engines in Canada, although at the same time he announced that negotiations were proceeding for the establishment in Canada of a large aero engine plant.

Again on July 30 Mr. Howe said:—"An exhaustive study of the airplane engine situation has not convinced us as yet that the production of airplane engines in Canada is warranted, having in mind the very large capital involved, and the drain on our resources of machine tools and skilled mechanics."

Still again on Nov. 20, Mr. Howe said that no decision had been reached. He repeated the arguments against launching the industry—enormous capital expenditure, drain on machine tools and skilled labor, no production for 18 months, and then only for one size of engine, whereas 10 sizes are used.

He said that it had seemed to him that we would be well advised not to try and produce but, instead, to buy engines outside of Canada. But he concluded by saying that he was making a new survey, that certain important factors had changed, and that the decision would turn on whether the necessary machine tools could be purchased in the United States.

It is assumed here that in view of Mr. Howe's past hesitancy and his present absence from Ottawa, no decision will be made for some time, probably in the new year.

La Luz Reports Big Profits

New Producer Earns 47 Cents a Share in First Full Year

A high rate of earnings is reported by La Luz Mines in its fiscal year ended Sept. 30, 1940—the first full year of operations—with net profit amounting to $630,586 or 47 cents a share.

During the year, milling rate was stepped up from 200 to 800 tons daily, and it is now expected that it will be up to 1,000 tons daily early in January.

Production Increases

Production for the year amounted to $1,249,482 from 175,551 tons of ore milled. Production in Oct., 1940, was $195,727 and $232,750 was recovered in November.

Balance sheet as at Sept. 30, 1940, shows total current assets of $723,039, including $132,650 cash and $289,800 bullion. Current liabilities of $704,395 included a $270,000 bank loan and $320,979 advances from associated companies.

B. C. Electric Railway Investigation Complete

From Our Own Correspondent

VANCOUVER. — Investigation of the physical assets of the B. C. Electric Railway (B.C. Power Corp.'s operating subsidiary) has been completed by the province's public utilities commission, and the results may lead to revision of the company's light and power rates.

The commission plans to hold public meetings at various centres served by the B. C. Electric with a view to obtaining the viewpoint of consumers before making direct negotiations with the company or issuing orders.

It was revealed at the recent session of the legislature that the enquiry into B. C. Electric affairs had cost the company $38,125 up to March 31 last.

Fed. Foundries Offers Bonds

New Company Being Launched With Flotation of $500,000 Issue

An issue of $500,000 5½% first mortgage bonds of Federal Foundries & Steel Co. is being offered by a syndicate headed by J. H. Crang & Co., Toronto. The issue is dated Dec. 15 and matures in 1950, being callable on 30 days notice at 103 and accrued interest. Offering price is 98 and accrued interest, and a bonus of 400 shares of common stock is given with each $1,000 of bonds purchased.

The company is newly organized. Proceeds of the bond issue are for the acquisition of plants and equipment of the Sandwich Foundry Co., Windsor, and London Rolling Mills Co., London, Ont.; for the installation of additional equipment and to provide working capital. Purchase price of the plants is $75,000 in bonds, $138,000 in cash and 500,000 shares of common stock. Immediate cost of repairs and additions is estimated at $90,000, while a balance of $146,000 remains as working capital after deducting financing costs.

To Produce Steel Castings

The new company will produce tool steels, stainless steels, grey iron, semi-steel and steel castings. These will be marketed by Brace-Mueller-Huntley, Inc., sales agents for 11 American steel companies. Federal Foundries is the first Canadian company for which it will act, and Brace-Mueller will establish its own Canadian warehouses and agencies.

Only authorized stock issue is 750,000 shares of common stock, of which 500,000 are to be issued. Officers and directors are:

E. A. WILSON, President, Ingersoll, Ont.
A. J. BRANDT, vice-pres. i/c production, Detroit, Mich.
C. M. MURRAY, Toronto.
TRAVERS SWEATMAN, K.C., Toronto.
GEORGE J. SYKES, Toronto.

Plan Prepared For Essex

Interest Cut to 3¾% From 5½% — 10% Payment on Arrears

A plan of reorganization for Essex, Ont., has been approved by the municipal council, the department of municipal affairs of Ontario and a debenture holders' committee, of which W. F. McIlroy is secretary. Approval of the holders of two thirds of the debt of the town is necessary for final consummation of the plan, and this now is being sought.

Essential features for settlement of $279,117 debenture indebtedness follow:

(1) Bondholders to get 10% of arrears of interest in cash;
(2) Coupon rate on the new bonds to be reduced to 3¾% from 4½-6% (average of about 5½%); the new issue to be 1-40 year serial bonds;
(3) All surplus cash, after allowing for expenses of refunding and settlement of arrears to be used by the town to purchase its own bonds on the open market. The fiscal agent, the Trusts and Guarantee Co., is asking for bids from debenture holders for the buying in of debentures.

Essex has been in default of principal and interest for about 8 years. The proposed plan also would involve the settlement of bank loans and other indebtedness totalling $97,199.

Canada Packers Builds New, Larger Plant

Canada Packers Ltd. announces plans are under way to rebuild a canning and freezing plant at Brantford, Ont., destroyed by fire last August. The new unit will be two stories high and an adjoining warehouse one story, with total floor space of 56,200 square feet—about 50% larger than the old plant. Officials state the approximate cost is $200,000.

Modern equipment for quick-freezing fruits and vegetables under the trade name of "York" will be installed to replace destroyed units.

Canada Northn. Power Dividend Payment Up

From Our Own Correspondent

MONTREAL. — Canada Northern Power Corp. has declared a dividend of 25 cents a share on its common stock, payable Jan. 25 to holders of record Dec. 31. This disbursement compares with payment of 23 cents a share for the preceding quarter. This was made Oct. 25, prior to which dividends had been paid at the rate of 30 cents a share quarterly since April 15, 1935. Reason given by the company for this reduction was increase in taxation.

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Municipal Finances

Sudbury, Ont., retired $229,215 of funded debt in 1940 and issued new debentures totalling $116,878 for a net reduction of $112,337. Debentures totalling $534,571 were issued in 1939, of which $335,000 was for new school construction, $150,000 for refunding and $49,571 for local improvements. City Treasurer A. J. McDonell reports that no reduction in tax rate can be looked for next year unless capital expenditures are eliminated. It is stated, however, that further schools are needed, and the heavy drain from this source has kept the tax rate up in recent years, in spite of increasing assessment.

* * *

Gananoque, Ont., reports debenture interest charges of $16,627 in 1940, down $2,000 from last year. The reduction is almost twice the amount lost this year from the one third cut in the Ontario Government subsidy.

* * *

Yorkton, Sask., reports tax receipts of $136,487 for the first nine months of 1940, an increase of $4,918 from the same period of 1939. Relief costs are down about $1,100.

* * *

Verdun, Que., reports property tax revenue up because of new construction. Improvement also has been shown in local improvements revenue, due to the fact the city sold many vacant lots on which it had been absorbing charges now paid by the new owners. The estimated budget of over $2 millions for 1941 is the largest on record, but will involve no increase in taxation due to increasing revenues.

* * *

Edmonton's tax rate for 1941 may be slashed, according to Mayor Fry. Rate for 1940 was 51½ mills, half a mill less than in 1939 and 2½ mills below the 1938 figure.

* * *

Sarnia, Ont., reports a likely deficit of $9,934 for 1940, which is an improvement from the estimate of $12,656 last June when the 1940 tax rate was set.

* * *

Teck Township, Ont., reports per capita debt of $70.14 on Nov. 15, compared with $82 at the end of 1939. The figure has declined steadily in each year since 1933, with the exception of 1936 when it jumped from $94 to $97. Tax arrears of $5.60 per capita show a decline of 42 cents from Jan. 1, 1939 to Jan. 1, 1940, and also a steady drop from $18.99 in 1933.

Total assessment of $22.3 millions this year is down $636,000 from 1939.

* * *

Moose Jaw, Sask., reports total tax collections at Sept. 30 equal to 86.22% of current levy, compared with 81.36% 12 months previous. Current taxes collected amounted to 77.15% of current levy, compared with 71.06% at Sept. 30, 1939.

* * *

Montreal unemployment relief has reached a new low figure, with 10,561 cases on the rolls. This is about one-third of the record high for April, 1939. In that month there were 30,789 cases, with 125,118 persons receiving relief from the city. The current figure of 10,561 is composed of 47,486 persons.

* * *

Montreal has received approval from the Dominion Government for two loans for self-liquidating improvements, to cost $158,180. Both loans bear interest of 2%. The larger loan is for $136,000, to be used in modernizing street lighting. The other loan is for $22,180 for installation of automatic traffic lights.

Dom. Bridge Earnings Rise

Dividend Requirements Exceeded After "Excess" Profits Tax

From Our Own Correspondent

MONTREAL.—Earnings of Dominion Bridge Co. in the year ended Oct. 31 were much better than last year. Net profit in that year totalled $371,429 or 72 cents a share.

Basis and size of the "excess" profits levy has not been determined, but it is expected that after taking this into consideration, net will be more than sufficient to cover regular dividends of $1.20 a share annually on 513,951 common shares outstanding. This would raise net to more than $616,000 for the year.

Larger Depreciation Allowance

Because of increased operations, particularly in the latter part of the fiscal year, the foregoing estimate takes into consideration higher depreciation allowance, although the amount has not been established. The company's machinery has been operating at two or three times normal peacetime rate, necessitating added provision for this purpose.

Outlook for the first half of the current year is the best for many years and all plants are operating at high levels. Demand for structural steel has been increasing.

Dom. Engineering at Peak

Dominion Engineering Works Ltd. controlled by Dominion Bridge Co. is operating at peak levels. Backlog of orders is at a high point and shows indications of being maintained.

Production has been centred for some months on output of presses for heavy industry. Turnover has been good enough to enable the company to produce some machine tools for other organizations.

Algoma Steel Wage Agreement Gives Raise

Details of the settlement of the wage dispute between Algoma Steel Corp. and its workers show that pay increases of two cents an hour are granted. The new agreement is effective from Dec. 1 this year to Nov. 30, 1941, and runs from year to year thereafter subject to cancellation or change upon notification by either party not later than 30 days prior to expiry.

The agreement contains a provision that, if cost of living advances by 5% or any multiple thereof by June 1, 1941, or at the end of any six months period thereafter, wages shall be increased. The agreement results from the work of a board of conciliation including Judge A. H. Dowler, chairman, and Lynn B. Spencer representing the company, and J. L. Cohen, nominee of the workers.

Crown Trust Elects New Director

F. Wilson Fairman was elected a director of Crown Trust Co., Montreal, at a recent meeting of directors.

Mr. Fairman is chairman of the board of directors of Dominion Wire Rope & Cable Co., and a director of Montreal Life Insurance Co.

Southern Canada Earnings Down

Doubled Tax Provision Offsets Better Gross for November

From Our Own Correspondent

MONTREAL.—While gross earnings of Southern Canada Power Co. rose in November, doubled taxation provision contracted net earnings.

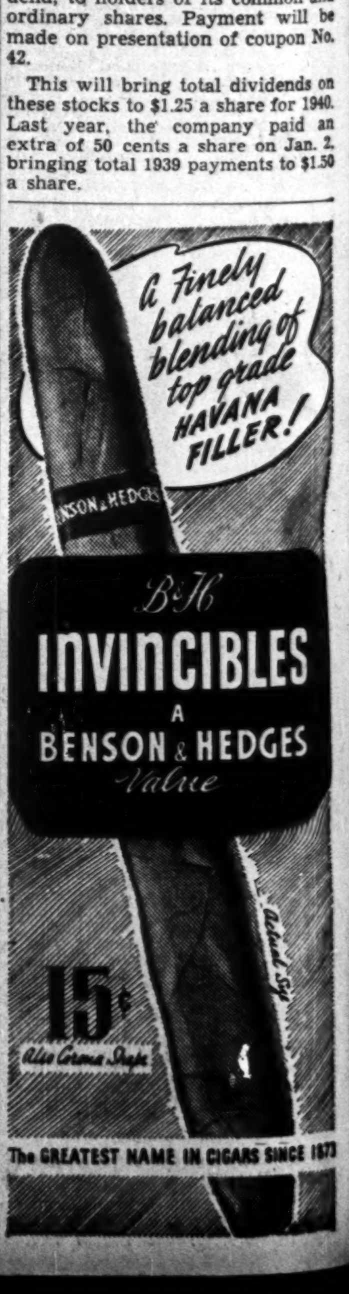
Gross earnings increased $17,834 during the month to $246,046, but net earnings declined $10,697 to $116,709. Surplus dropped to $3,949 to $14,755.

In the first two months of the current fiscal year gross earnings increased $50,185 to $492,955. Net earnings dropped by $14,550 to $232,471 because of the substantial increase in taxation. Surplus was down by $16,590 to $6,662.

Supertest Petroleum Paying 25-cent Extra

Supertest Petroleum Corp. has declared a bonus of 25 cents a share, payable Jan. 2, 1941, along with the regular semi-annual 50 cents dividend, to holders of its common and ordinary shares. Payment will be made on presentation of coupon No. 42.

This will bring total dividends on these stocks to $1.25 a share for 1940. Last year, the company paid an extra of 50 cents a share on Jan. 2, bringing total 1939 payments to $1.50 a share.



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DIRECTION VERNON G. CARDY

Yellowknife Mines Multiplying

Tungsten to Be Added To Production of Gold

By GORDON M. GRANT
Staff Writer, The Financial Post

Already well established in the ranks of Canadian gold mining areas, Yellowknife is expected to double the number of its producers in 1941. By the end of next year it is anticipated a minimum of six mines will be in operation. To the present gold output of approximately $2 millions a year, a new metal will be added—tungsten.

Little publicized because of its remoteness, the Yellowknife area is now securing greater attention because of prospecting results. With 20 odd prospecting parties in the field last summer there were just about the same number of good finds, it is reported. So promising have some proved that exploration is continuing through the severe winter of the North West Territories.

Chief operation in the area, of course, is the Con mine of Consolidated Smelters which lies 1½ miles south of the town of Yellowknife with its 1,300 residents. The 175-ton mill on the Con property not only treats the company's own ore but also ore from the adjoining Rycon mine, controlled by Smelters too. Ore from the two mines is kept separate so that the exact production of each mine is determined with little difficulty.

Ore Runs Rich

Some idea of the high-grade character of the Yellowknife ore bodies is given by the fact that stopes are not opened in the Con mine unless ore shoots give values over 0.33 oz. gold per ton. With a big hydro-electric power plant coming into operation around the end of this year, it is believed that the Con mine will be able to turn to greater treatment of lower grade material than at present proves feasible.

The Con mine has carried exploration deeper than any other mine in the Yellowknife area. Its shaft is down 1,010 ft. with levels at 125 ft. intervals to 500 ft. and at 150-ft. intervals thereafter. So far most of the mining has been carried out above 500 ft. with approximately 65% of the ore coming from the main sheer and the remainder from smaller shear zones.

How Rycon Developed

Development of the adjoining Rycon mine has been carried out from the Con 500-ft. level. The crosscut extending into the Rycon has a length of 2,000 ft.

Close by the Con and Rycon property is Negus Mines which is handling ore at a rate of approximately 60 tons daily. Like the Con, Negus sorts out a considerable tonnage of waste rock before sending ore to the grinding mill. The amount sorted out by Con runs 60 to 75 tons daily, while Negus discards 15 tons.

Negus Extends Exploration

In the latter part of this year, Negus cut its important east vein at the 425-ft. horizon and drifting has already opened up a considerable length of high-grade ore. Drifting south at the 300-ft. horizon is now close to the section where surface exploration indicated better values than in the part now being mined. Negus is in the fortunate position of having a number of high-grade veins on which exploration has not yet been carried out underground.

Mill Increase Considered

Some consideration has been given recently to increasing mill capacity at the property but no decision has yet been made on this point. Arrangements are being made for electric power from the new plant of Consolidated Smelters. It is expected that hydro power will reduce development and mining costs considerably.

These are the three producing mines, Con, Rycon and Negus. Consolidated Smelters controls the first two of these companies and will also own substantial interests in two of the next three mines to start production, it is anticipated.

Ptarmigan Expects Mill

Eight miles northeast of Yellowknife, Smelters has the Ptarmigan Mines property, one of the most promising in the area. A mill was planned for this property in 1940 but for some reason was deferred. Now it is believed that a mill of around 150 tons capacity will be installed next year.

The tenor of ore grade at Ptarmigan is somewhat lower than at the other producing mines in the area and possibly company officials considered it best to wait for hydro-electric power before starting production. With the shaft down 700 ft. and 3,000 ft. of drifting completed, it is believed a great amount of work will not be necessary to prepare the property for production.

Thompson-Lundmark Proceeds

The second property which Smelters expects to finance to production in 1941 is Thompson-Lundmark Gold Mines. This company's property is located 35 miles northeast of Yellowknife as the crow flies. With most of the equipment for a 125-ton mill already on hand in the Yellowknife area for transportation to the property by winter road, officials believe that production will be reached some time during this summer.

On the main Fraser vein, a shaft has been sunk with three levels opened up at 150-ft. intervals. This shaft is now being continued to the 750-ft. horizon which will be reached shortly. Besides this main shaft, there is a second shaft sunk 3,000 ft. to the south on what is known as the Kim vein. This shaft is down 300 ft. with two levels opened up.

Slave Lake Tungsten Mine

Slave Lake Gold Mines, situated at Outpost Island in the Great Slave Lake area, is expected to be Canada's first important producer of tungsten. The company's property is situated 70 miles south of Yellowknife and 50 men are now at work on the property under the direction of J. C. Byrne. Construction of a 50-ton milling plant is well in hand and production is scheduled to start the first of the year.

Opened up originally as a gold mine, Slave Lake was found to have an important tungsten content in its main vein on resampling about a year ago.

Tungsten Goes To Depth

While gold values were found to diminish as depth was reached, this did not prove true of the tungsten content. With war making a great increase in the demand for tungsten, financing of the 50-ton mill was arranged through sale of $100,000 of first mortgage 6% three-year bonds with a bonus of common stock.

In the last two years the price of tungsten has increased over 100%, while the price for gold is also higher. In addition to tungsten and gold, the company also plans to recover tin in the form of a concentrate. There are estimated to be approximately 18,000 tons of proved ore available for mining with an average value of about $40 per ton at present prices for gold and tungsten.

Mercury Takes In Plant

Numerous other properties are now receiving considerable attention in the area. A mining plant is being taken into Mercury Gold Mines which holds a property 160 miles northwest of Yellowknife where numerous high-grade gold veins are reported to have been discovered. Altogether 150 trenches have been opened up to explore showings at surface.

The vein system has been traced for a length of 4,000 ft. A. E. Kipps, the company's consulting engineer, was a recent visitor at the property surveying results obtained.

Other Tungsten Chances

Slave Lake Gold Mines has not the only tungsten property known in the Yellowknife area. A find is reported by Alex Mitchell near Gilmore Lake, 50 miles east of Yellowknife. According to this prospector, a vein has been traced for a length of 1,900 ft. varying in width from 2 to 4 ft. The tungsten occurs in lenses and no large body of ore has yet been uncovered. Further development may uncover something workable, it is believed.

At the present time the Federal Government is reported to be interested in this and other tungsten showings in the area due to the strategic position of tungsten in wartime. Dr. A. W. Jolliffe, of the Geological Survey, Department of Mines and Resources, has surveyed numerous properties in the area.

Where Gold Found

Gold discoveries made recently centre in the section from Yellowknife Bay, 116 miles northwest to Emile River, 70 miles east to Desperation Lake, 160 miles north into the Barrens, and 70 miles south to Outpost Island. The discoveries have been principally at Desperation Lake, Gilmore Lake, Hidden Lake, Pensive Lake and in the Snare River-Sleman Lake area.

Several shafts are now being sunk by handsteel and buckets to ascertain the possibilities of finds which have been made. In the Desperation Lake area, Consolidated Smelters is now diamond drilling its find. Harry E. Ingram is also carrying on diamond drilling at Pensive Lake.

Halt Stadacona Trading

From Our Own Correspondent

MONTREAL.—An order to halt trading in the shares and notes of Stadacona-Rouyn Mines Ltd. has been issued, by Adolphe Routhier, registrar, under the Quebec Securities Act. Stadacona-Rouyn is now in process of liquidation. This order applies only to Quebec province.

Springer Looks At Barite Mart

Company Holds Deposit in Nova Scotia With Tonnage Possibilities

Following preliminary investigation of its newly-acquired barite property at Walton, Nova Scotia, Springer Sturgeon Gold Mines is now investigating the market for the ore, shareholders are informed in a letter over the signature of K. J. Springer, president.

Examination of the deposit by Dr. W. S. Dyer, consulting geologist, is stated to show it as "unique in type and likely to be of large tonnage." Barite outcrops at the top of a hill and has been found by trenching to cover an area 200 ft. square. Its boundaries have not been limited by other than overburden.

86 Ft. Thick

Drill hole No. 1 put down close to the centre of the area passed through 86 ft. of barite vertically. If sides of the 200-ft. square are considered vertical to the bottom at 86 ft., then the deposit would contain 430,000 tons of barite, it is stated.

Material is of good grade and high specific gravity, Dr. Dyer reports. It is very suitable for the oil drilling industry in Trinidad and Venezuela. This market consumes at least 35,000 tons per year at prices approximating $25 per ton in United States funds after grinding, it is reported. Steps are being taken to acquire contracts in both Trinidad and Venezuela.

Holdings Extended By Skynner Lake

Following receipt of a financing offer to provide up to $185,000 if fully exercised, Skynner Lake Gold Mines has turned over its property adjoining to the west of Delnite Mines in the Porcupine to a new company, Jasper Porcupine Mines, in which a controlling interest is held.

Work under Jasper Porcupine is expected to be well under way in January. Further drilling is planned to determine the most advantageous site for shaft sinking, it is stated.

Broshier and Bethel

Besides its controlling interest in Jasper Porcupine Mines, Skynner Lake now holds a controlling interest in Broshier Porcupine Mines and owns all the outstanding shares of Bethel Gold Mines.

The Broshier Porcupine property of 11 claims was formerly held by Dictore Gold Mines and is stated to cover part of the "middle break" in Deloro township. Five drill holes were put down by the previous operators and work under Broshier-Porcupine is expected to start early next year.

The 14 claims held by the wholly-owned Bethel Gold Mines have had a preliminary programme of diamond drilling completed recently. A carbonate shear zone was cut in this work and extensive exploration is planned next spring.

Mining Concentrates

Alkenore Buffalo Gold Mines is stated to have uncovered another promising outcrop on its property near Sioux Lookout. Drilling to the 350-ft. horizon on No. 3 zone is reported by John Harris, engineer, to have indicated approximately 70,000 tons averaging $8.50 over an average width of 8 ft.

* * *

Gan Copper Mines sold 20,000 shares at 5 cents a share to Northern Underwriters Co. on Nov. 15 and granted an option on 980,000 shares as follows: 180,000 shares at 5 cents per share payable by Feb. 28, 1941; blocks of 100,000 shares at 7, 9, 11, 12½, 15, 20, 25 and 30 cents per share payable 50,000 shares monthly commencing Mar. 29, 1941. Authorized capital of the company is 3 million shares with 1,000,005 issued.

* * *

International Mining Corp. has declared a dividend of 10 cents a share payable Dec. 27 to shareholders of record Dec. 23. Ex-dividend date is Dec. 20. This is the fourth dividend of 10 cents to be paid this year.

* * *

Marquette Long Lac Gold Mines optioned 300,000 shares to L. J. Fogler on Nov. 11. Mr. Fogler later assigned it to A. B. Davidson & Co. Terms of the option now call for blocks of 100,000 shares each at 5, 6½ and 7 cents a share payable within 180 days. Authorized capital of the company is 3 million shares of which 1,346,405 have been issued.

* * *

North Malartic Gold Mines optioned a million shares to A. H. Smith on Nov. 29 at 5 cents per share payable by Mar. 15, 1942. Authorized capital is 3 million shares with 1,050,838 shares issued.

* * *

Naybob Gold Mines treated a slightly lower tonnage in November with recovery declining from $46,805 to $45,050. The lower milling rate was due to installation of a new filter which is expected to reduce tailings losses by 25 cents per ton.

* * *

Northland Mines (1940) completed a financing agreement on Oct. 31, 1940, under which Numlake Mines agreed to purchase 200,000 shares at 5 cents per share payable forthwith and was granted an option on 800,000 shares as follows: 300,000 shares at 10 cents per share payable by Mar. 15, 1941; 250,000 shares at 15 cents a share payable by Sept. 15, 1941; 250,000 shares at 20 cents a share payable by Jan. 15, 1942. Authorized capital is 3.5 million shares with 1,000,000 shares issued.

* * *

Perron Gold Mines production in November amounted to $168,537 from 11,607 tons of ore milled as against $191,544 from 12,028 tons of ore in the preceding month. Two drill holes from 605 crosscut intersected the 912 vein returning 3.5 ft. averaging 0.51 oz. and 2.1 ft. running 0.28 oz., checking 3.5 ft. of 2.74 oz. in hole No. 601 in the 912 vein. A hole drilled down from 1032A drift west cut 4.5 ft. of 6.5 oz. in the vein. Ore was also cut drilling from the 182 west drift. At the 1,125-ft. level, drifting has now opened up 201 ft. of ore averaging 0.38 oz. over 12 ft. Crosscut south at the 1,250-ft. level cut 13 ft. averaging 0.3 oz. in the 32 vein.

* * *

Quebec Gold Belt Mines shareholders have given their approval to donation of 152,884 Vicour shares to complete Vicour financing. Anglo-Huronian is also donating shares for the same purpose.

* * *

Sturgeon River Gold Mines is stated to be proceeding with drifting on the 1,400 and 1,600-ft. levels with the ore being opened up comparing favorably with that obtained on the upper levels. Two main veins are now under development on these deeper levels whereas above the 1,200-ft. level there was only the one main vein. Major portion of ore at present comes from above the 1,200-ft. level with the balance from development faces below that depth.

* * *

Straw Lake Beach Gold Mines has carried drifting 448 ft. east of the shaft at the 700-ft. horizon with conditions stated to be as good as or better than those on the 575-ft. level immediately above, previously the best horizon in the mine. Stoping sections now total 382 ft. of length averaging approximately $17 across 18 inches with the east face still in ore. With the face directly under the east face at the 575-ft. level and the ore raking to the east rather flatly, further work on the 700-ft. level should add measurably to ore footage, it is stated. The mill is treating an average of 55 tons of sorted ore daily.

* * *

Weldon Gold Mines agreed on Dec. 6 to release 302,045 shares to W. G. Jones upon payment of 10 cents a share. On Dec. 4, 1,662,950 shares were optioned to Gordon Jones & Co. as follows: 162,950 shares at 10 cents per share; blocks of 100,000 shares each at 12½, 15, 17½ and 20 cents per share with balance at 25 to 70 cents per share, payable within three years from the date on which the 302,045 shares mentioned above are released; payment to be at least $1,000 monthly. Authorized capital of the company is 3 million shares with 1,337,050 issued.

* * *

Winisk River Mines optioned 2 million shares to J. P. Arnott on Nov. 7 as follows: 200,000 shares at 5 cents per share payable by April 15, 1941; blocks of 100,000 shares each at 7½, 10, 12½ and 15 cents per share payable by Dec. 15, 1941, with balance at 20 cents to $1 payable by April, 1943. Authorized capital is 3 million shares with 1,330,505 issued.

* * *

Yama Gold Mines has secured consent of the Ontario Securities Commission for sale through C. R. Jenner & Co. of a total of $60,000 of 6% one-year notes maturing Dec. 16, 1941. Under an agreement dated Dec. 4, notes are purchased by C. R. Jenner & Co. at $88.25 per $100, with the right to purchase 35 shares of the company at 5 cents per share for each $100 worth of notes.

Mining Enquiries

Noranda Mines

What is the position of Noranda Mines? Is it suffering from the effects of increased taxation?

Noranda Mines has now a diversified source of income with profits being realized from: Base metal mining at its Horne mine; from its base metal mining subsidiary, Waite Amulet Mines; and from the numerous gold mining enterprises which have been brought into production over the past decade. Along with other companies, Noranda has been experiencing a great increase in taxation but increased dividends from subsidiary operations have offset most of the effects of this new taxation.

Earnings remain in excess of the present dividend rate of $4 a share per annum. Under the company's metal sales contract with United Kingdom Government, copper production is being sold at a fixed price but if costs of operation rise, the company is to receive a proportionate increase in the price received for metal. While larger profits from higher metal prices appear to be eliminated for the duration of the war, the company knows that it will receive at least as much as at the present time.

Royalite Oil

Can you give me some information on the western crude oil producing situation in general and on Royalite Oil Co. in particular?

With the speeding up of Canada's war effort, demand for crude oil from Alberta's Turner Valley field has increased greatly and it now appears that this demand will keep up for the duration of the war. A short while ago, Canada's oil controller, George Cottrelle, announced that a market would be found for all the crude oil that could be economically produced in western Canada. This means that Royalite Oil Co. can operate its wells to secure a maximum output without actually injuring the wells themselves.

Bearing this in mind, it will not be surprising if earnings of Royalite in 1940 exceed those of 1939, in spite of the new excess profits tax. Earnings in 1939, it will be recalled, were equal to $1.05 a share, compared with $1.81 a share the previous year. Drilling of new wells is being speeded up in Turner Valley to maintain and, if possible, to increase present output and it appears that Royalite will do its full share of the new drilling. In 1939, a total of 79,798 ft. of drilling was completed by the company, an increase of 12,447 ft. over the previous year. As a result of 1939 drilling, 12 new wells were brought into production in Turner Valley. It appears that the company will complete approximately the same number of wells in 1940 as it did in 1939.

Laguna Gold

Some time ago I understood Laguna Gold Mines would pay a final liquidating dividend after the company sold its mill, and remaining supplies had been liquidated. Can you inform me what the situation is now?

Laguna Gold Mine has so far not found a purchaser for its mill and consequently the liquidator is not yet in a position to announce a final liquidating dividend.

It is understood, however, that the company is now negotiating sale of the mill to a mining company, in eastern Canada and if this sale is consummated the final liquidating dividend should not be long delayed.

Hallnor Mines

Are present dividends of Hallnor Mines being met by dividends? What are the latest developments in the mine picture?

Earnings of Hallnor Mines in the first six months of 1940 were equal to 35 cents a share compared with 41.6 cents a share the same period of 1939. The company thus continues to earn more than the 60 cents a share per annum being paid out in dividends.

Diamond drilling carried out from the new levels at 1,110, 1,260 and 1,410 ft. in the early part of 1940 indicated that as much ore would be found on these levels as on the levels above, but that the grade of ore might be somewhat lower. In the last few weeks, however, new ore running ounces to the ton is stated to have been intersected in drilling although details are not yet available.

Ore reserves reported at the end of 1939 were sufficient for somewhat over three years milling operations and some extension of this reserve may have taken place in 1940, due to the development of ore previously outlined in drilling.

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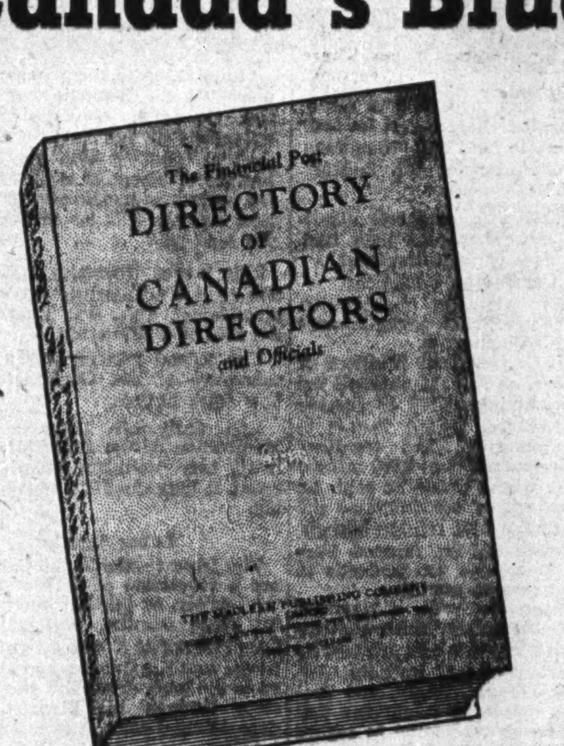

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Ontario Plans to Spend $300,000 on Tourist Trade

In the 1941-42 fiscal year, Ontario will spend $300,000 to boost the province's tourist attractions, according to an announcement by Premier Mitchell F. Hepburn. The previous appropriation was $86,000. The new programme is larger than anything ever attempted by any province or even by the Dominion Government until Ottawa increased its appropriation last year.

Spearhead of the provincial campaign will be direct advertising and contacts in the United States; co-operation with the Federal Government in respect of radio and movie publicity; a province-wide campaign to enlist the support and co-operation of Ontario municipalities.

Mr. Hepburn's announcement was made to a meeting of representatives from boards of trade and community organizations throughout the province. The meeting was called by Douglas Oliver, director of the Provincial Travel Bureau.

Detailed plans were outlined as to how each municipality could co-operate in planning its own tourist effort. A staff member of Mr. Oliver's department will be detailed to assist individual municipalities in planning their own tourist campaigns. Each municipality is being urged to set up its own local voluntary committee to undertake tourist promotion as part of the war effort.

Tours of visiting editors and celebrities from the United States will be arranged and a special effort made to encourage the sale and rental of Crown Lands to U.S. cottagers on attractive terms.

Canadian Cottons Ltd. Distribution Larger

From Our Own Correspondent

MONTREAL. — Canadian Cottons Ltd. has declared a regular quarterly dividend of $1 a share, payable to holders of the common stock on Jan. 2, record date Dec. 13. This will bring total payments for the year to $6 a share, including four quarterly payments of $1 each and an extra of $2. Distribution contrasts with $4 a share in 1939 and an equal amount in 1938.

Box Combine Appeal To Start Jan. 20

Appeal of companies convicted under the combine case brought by the Dominion against the paper box industry is to be heard beginning Jan. 20, 1941, in Toronto, according to a ruling of the Ontario Appeal Court. The several companies against which convictions were registered last summer by Mr. Justice Hope all entered appeals in September.

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Newly Stated War Policies Seen Clashing

Confusion and Conflict Revealed in Official Statements at Ottawa

From Our Own Correspondent

OTTAWA. — The Government's progress reports to Parliament on the war effort provoked a good deal of comment on their apparent lack of co-ordination, and the absence of uniform focus in the general war policy.

Individual ministers are conceded to be doing their utmost; co-ordinating committees recently established show a laudable aim. But careful observers here have been astonished at the lack of a common plan. The ministers themselves are only partly aware of this confusion of objectives.

As opposition members study these speeches, criticism of this absence of focus will develop but Parliament is now adjourned until February so there can be little opportunity to make this criticism effective until the New Year.

The more notable variations concern war aims, wheat policy and labor.

Canada's War Aims

One of the most emphatic passages in Prime Minister King's speech said that the Government deemed its primary obligation was "defense of our own country." The second was "co-operation with our forces at the side of Britain in Britain herself."

Mr. King denied that this was a reversal of policy and he might have quoted from his earlier war speeches to support this statement. First duty of Canada, he said, was her own defense and he quoted the resolutions of the 1923, 1926 and 1937 Imperial Conferences to prove that this policy had the approval of the Commonwealth as a whole. The Conferences took the stand, he said, that each part of the Empire, having secured its own defenses, would be in a position the more effectively to co-operate with the other parts of the Empire in any effort against a common foe.

Ralston View Differs

This statement was made on Nov. 12. It is sharply at variance with the policy proclaimed by Hon. J. L. Ralston just three days later, on Nov. 15.

Defining "our military policy," he said:

"The immediate aspect of that policy was to combine with the United Kingdom and the other Dominions, as quickly and as fully as possible to defeat the common enemy. And the long-term aspect was to provide for an effective organization of Canada's armed forces so that whatever might befall in the future we should be prepared, to the limit of our strength and resources, to take care of our own responsibilities."

Mr. Ralston recalled that he had stressed in July that "our front line was the island fortress of the British Isles." He added:

"I can say to the House that those principles on which we were working then are the principles we are working on today. Any change has been only to emphasize more than ever the vital interest we feel in helping to hold and strengthen that front line on the English channel."

This conflict in emphasis admittedly is more apparent than real. But it is causing wide comment.

Conflict on Wheat

In other respects, notably on wheat, the conflict in policy is more real than it is apparent.

Hon. J. G. Gardiner, Minister of Agriculture, on Nov. 14 outlined the wheat marketing policy of Canada for the five-year period, 1940-41 to 1944-45, inclusive. Mr. Gardiner actually calculated that 2,080 million bushels of wheat would be sold. He went farther and contemplated the possible sale of 2,230 million bushels. The estimate did not impress Parliament. It seemed too fantastic to command serious attention.

There was, as well, a financial phase of this policy which contemplated advances to wheat growers by the Treasury of $620 millions. Mr. Gardiner, not unfittingly, had prefaced his speech by remarking that the farmers were coming to regard him, and justifiably, as Santa Claus.

Controversial Points

There are two points in this speech which appear to be highly controversial so far as Mr. Gardiner's Cabinet colleagues are concerned. Mr. Gardiner's optimistic forecast is not calculated to persuade prairie farmers to reduce wheat acreage, notwithstanding the present glut of storage capacity and the impossibility of solving it by export sales.

He told growers how all the present surplus and average crops in these five years could be sold and at that might not fill the demand. And he explained how the Dominion would put up hundreds of millions of dollars to carry them while the wheat was being sold.

Colleagues Demur

Hon. J. L. Ilsley pointed out that the advances for wheat were a drain on war finance.

Hon. J. A. MacKinnon brought out two points with great clearness. He observed:

"In addition to the enormous expenditure on Canada's war effort, the Dominion Government has extended a guaranteed price on production totalling over one billion bushels of wheat of which amount we expect approximately 900 million bushels will be delivered by the farmers."

This means financing to the extent of $675 millions by Ottawa. Mr. MacKinnon, here, was referring to the 1939 and 1940 crops.

The second citation was a direct corrective of Mr. Gardiner's rainbow sales figures.

Apparently Mr. Ilsley and Mr. MacKinnon do not share Mr. Gardiner's easy optimism and made no effort to hide the difference of opinion.

Labor Tangle

The labor tangle in the Cabinet is not a revelation of lack of a common policy, as this has been known for some months. But until Mr. Gardiner spoke it was generally believed that the Cabinet had awakened to the labor crisis and was taking steps through the Stewart interdepartmental committee to work out a policy.

Mr. Gardiner declined to concede that there is a labor problem, laid the blame for present troubles on inefficient management of industry, and cited British experience in his support. The fact that he had just returned from Britain gave additional weight to his opinion, and he is, of course, the key minister with respect to the disposal of man power.

Mr. Gardiner, over a national radio hook-up, said:

"Factory managers who contend they cannot produce to capacity without interfering with the training of men may have to be told by someone, just as they are being in Britain, that they as factory managers are not good enough for wartime."

Clash of Policy

Just two days earlier, in the Commons, Hon. J. L. Ralston spoke in directly the opposite sense. His statement was:

"Under present conditions it is essential to the completion of equipment and the completion of training of those large numbers of men we now have in the Canadian army, that the needs of war industry for man power be not interfered with."

Mr. Ralston proceeded to detail the changes he would make in the army programme to avoid embarrassment to industry—extend the period of training so that the annual demand would be cut from 300,000 to 120,000 men; stop recruiting skilled men; and where necessary return skilled men in the army to their peacetime jobs on machines.

See War Effort Braked By Politics in Alberta

Recent Tactics of Aberhart Government and Social Credit Propagandists Said Hampering Provinces' Share in National War Drive

From Our Own Correspondent

EDMONTON. — Tactics of the Aberhart Government and its allied apostles of Social Credit have had the net effect of hampering the national war effort, in the view of detached observers. Certainly, it is contended, the policies followed by the Social Credit forces both in and out of the Government have hobbled Alberta's contribution to a strong, united war thrust by Canada, and largely negatived the support given by loyal groups of Alberta citizens.

Especially in official circles, there appears to be a good deal of complacent inaction about the war. Activities have been pursued which, intentionally or not, tend to sterilize if not definitely weaken Alberta's share of the war effort. Despite the lip service paid by the Government to support of the war, there is little on record to show that anything is being done to assist.

Take Advantage of War

On the contrary, both official and undercover propaganda has sought to make political capital for the Government and advance Social Credit doctrines, at the expense of the war effort. These activities have been concentrated along two lines:

1. Taking advantage of war conditions to intensify attacks on financial institutions and the monetary system. It is apparently assumed that the war will weaken the fiscal structure and financial interests, bringing victory for Social Credit within grasp.

2. Persistent attacks on the Rowell-Sirois Report and the move to implement its proposals. The official objection of the Government to the Report, using the old catch cries of provincial autonomy and "no centralization to serve the big interests," is reportedly mild in comparison with the violent undercover drive against the Report.

Hamper War Saving

These campaigns, particularly the drive to push Social Credit, have certainly done nothing to stir all-out support for the war effort in Alberta. Specifically, the attacks on the monetary system and the vicious suggestion it is being weakened by war, have restricted the sale of War Savings Certificates.

The attempt to block adoption of the Sirois Report has, of course, sought to discount the widely held view that the Report's proposals are essential to give greater unity and strength to the nation in wartime. However, this view has gained considerable support among Albertans, and it is now thought in some quarters that the Aberhart attacks are a political blunder and may have to be modified.

At the same time, it is difficult to combat the unrestrained, vindictive criticism of the report being made by Social Credit propagandists at closed meetings, to which admittance is by card only under pledge of revealing nothing to newspapers.

While military and industrial war activity has not become an important factor in Alberta economy, it has made itself felt and given an impetus to both wholesale and retail sales. This has come largely from the military and air training centres already established in the province.

Business Good

On the whole, business conditions are generally good in most parts of the province. The quota system of wheat deliveries is working out better than expected, and is providing farmers with some cash income over a period of months. This has brought more cash sales to merchants and eased the drain on their credit resources, though so far it has been more difficult for mortgage companies and farm implement firms to obtain payments.

Mixed farming is fairly extensive in Alberta, and in districts devoted to it there is a fair amount of prosperity. Cattle prices have been better, and many farmers have done well with hog raising. They will probably continue to do so, as the low cost of coarse grains and feed generally makes it possible to profit on pigs at existing reduced prices.

One operation that has not been doing so well is the attempt of the Government to run its own banking and credit facilities. The so-called Treasury Branches operated at a loss of about $375,000 in the year ended March 31, 1940, and the Government is reportedly looking around for a way to increase business for the branches. One device said to be under consideration is entry of the Government into the life insurance business through the Branches. The Government is already in the fire insurance and farm implement business.

Canadian Collieries Has Higher Earnings

Canadian Collieries (Dunsmuir) Ltd. reports operating profit of $231,327 for year ended June 30, 1940, up from $185,870 in the previous 12 months. After providing for depreciation of $173,152—up from $122,148 the previous year—a surplus remained sufficient to allow payment of 2% on "A" debenture stock. This is the same rate as has been paid for some years past.

Earnings fell off in the final quarter of the year, and this has continued into the present fiscal period, it is stated. The decline is due to decrease in bunkering business, attributable to the war; reduced effectiveness of the labor force at certain of the company's mines; and adverse physical conditions, which contribute to increased costs.

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Soo Line Agreement Now Seen Probable

From Our Own Correspondent

MONTREAL.—The U. S. Federal Court of Minneapolis has extended to Feb. 1, 1941, from Dec. 1, 1940, the time within which the Minneapolis, St. Paul and Sault Ste. Marie Railway must file a plan of reorganization under Section 77 of the Bankruptcy Act. The road, which is controlled by the Canadian Pacific Railway, went into bankruptcy in 1932.

In the petition of the debtor company for extension of time, it was stated that it now appears probable that an agreement will be reached among the debtors, the bondholders and the Canadian Pacific Railway, which controls the capital stock equity.

STANDARD FUEL PAYS

Standard Fuel Co. has declared a dividend of $1 a share on its preferred stock, payable Jan. 1, 1941, to shareholders of record Dec. 14. This stock carries a cumulative 6½% dividend, but the company has been paying at the rate of 4% for the past year. Arrears, after allowing for the latest payment, will amount to $3.75 a share.

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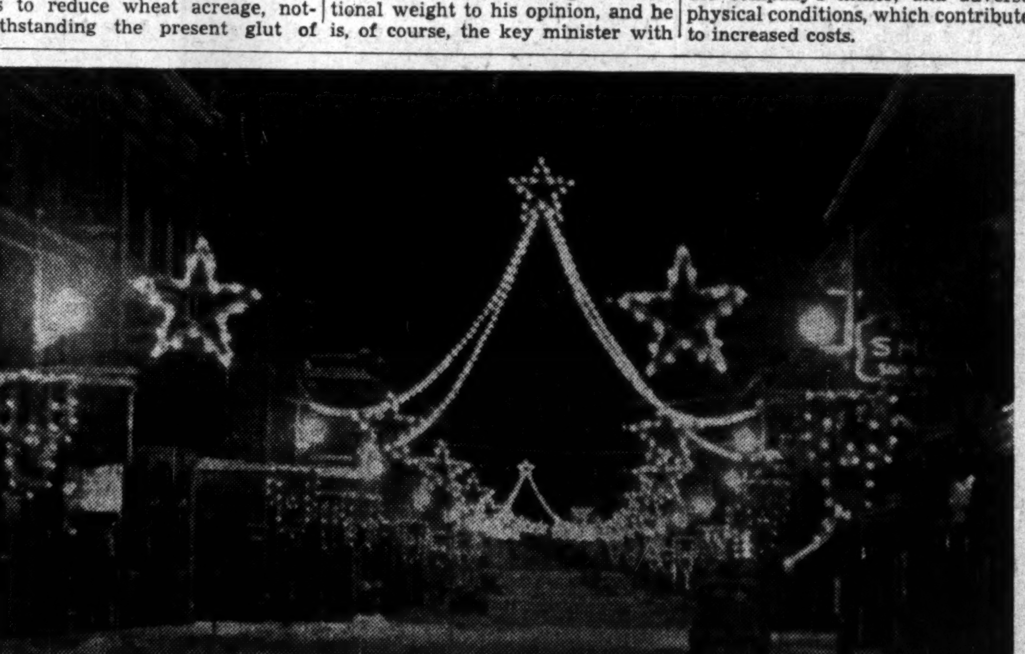

MILE-LONG DECORATIONS

Christmas shopping on Kitchener's mile-long King Street is brighter and more attractive as a result of a co-operative effort by the Board of Trade, the Horticultural Society and the city's merchants.

This year several additional blocks have been added to the community decorations.

Kitchener has always prided itself on the way it "goes to town" to make the main thoroughfare an attractive place to shop and visit. This is how the illumination looks at night, as one approaches the city's eastern entrance.